

Santander Consumer USA Holdings Inc.  
Form DEF 14A  
April 29, 2016  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**(RULE 14a-101)**  
**INFORMATION REQUIRED IN PROXY STATEMENT**  
**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

**Santander Consumer USA Holdings Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**2016**

**Proxy Statement  
& Notice of  
Annual Meeting  
of Stockholders**

**Simple**

**Personal**

**Fair**

**Table of Contents**

SANTANDER CONSUMER USA HOLDINGS INC.

1601 Elm St. Suite 800

Dallas, Texas 75201

(214) 634-1110

April 29, 2016

**Dear Stockholders,**

I am honored to chair the board of Santander Consumer USA Holdings Inc. (SC) and to represent the interests of all shareholders. It is a dynamic, growing and impressive company. On behalf of the Board of Directors, I would like to invite you to the Annual Meeting of Stockholders on June 16, 2016. The Annual Meeting will begin at 9 a.m., local time, at 1601 Elm Street, Suite 800, Dallas, Texas 75201.

A Notice of Annual Meeting of Stockholders and Proxy Statement for the meeting are attached. To ensure your representation at the Annual Meeting, you are urged to vote by proxy via the Internet or telephone pursuant to the instructions provided in the enclosed proxy card; or by completing, dating, signing and returning the enclosed proxy card.

In the past year Santander Consumer USA Holdings Inc. has faced a number of challenges. Factors such as a highly regulated environment to management turnover to media characterizations of the auto finance industry as risky have all contributed to recent volatility in the SC share price. However, I do not believe that the recent share price reflects the true value of the Company and I remain confident in SC's ability to generate attractive returns for its shareholders.

Every day I am reminded that our Company helps drive the American economy and helps people prosper. Countless families need vehicles to take them to work, school and to their homes. We provide a way – sometimes the only way – to make that possible.

Our Company has been transformed from an entrepreneurial startup more than 20 years ago into a seasoned, well-managed and innovative originator and servicer of automobile loans. With a focused business strategy, healthy balance sheet, impressive efficiency and continued strong access to liquidity and funding, we are well positioned for long-term success.

2015 was a transformative year for us. In addition to bringing eight new directors onto our board and implementing our succession plans with respect to several key executive positions, we also made strides in several strategic initiatives, including:

Continued growth in the FCA US LLC (Chrysler) relationship

Focusing on our core business of automotive finance

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Diversifying and expanding our servicing capabilities through new facilities in Mesa, Arizona, and San Juan, Puerto Rico

Continuing our development of a robust compliance framework, including increased automation of quality assurance functions

As we look ahead to 2016, the continued transformation of the Company's corporate governance, compliance and risk disciplines remain our key if not our primary focus. We continue to make progress in these areas and to partner with our bank holding company, Santander Holdings USA, Inc., and the regulatory agencies as we move forward in meeting or exceeding all legal and regulatory expectations. Our present concentration on these disciplines allows for more capacity in the future.

Our fundamentals remain strong in a shifting environment. We are focused on maintaining disciplined underwriting standards to deliver strong returns, robust profitability and value to our stockholders.

As a stockholder, your vote is important to our continued success. The Notice of Annual Meeting and Proxy Statement contain information about the official business of the Annual Meeting. Whether or not you expect to attend, please vote your shares now. Of course, if you attend the Annual Meeting you will have the opportunity to revoke your proxy and vote your shares in person. This Proxy Statement is also available at <http://www.proxypush.com/SC>.

We gratefully acknowledge your continued support of our business.

Sincerely,

**Blythe Masters**

Chair of the Board

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD JUNE 16, 2016**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Stockholders of Santander Consumer USA Holdings Inc. will be held at 1601 Elm Street, Suite 800, Dallas, Texas 75201 at 9:00 a.m., local time, on June 16, 2016, for the following purposes:

1. To elect thirteen (13) directors to the Board of Directors;
2. To ratify the appointment of PricewaterhouseCoopers as our independent registered public accounting firm for the current fiscal year;
3. To approve the amendment and restatement of the Santander Consumer USA Holdings Inc. Omnibus Incentive Plan; and
4. To transact any business as may properly come before the Annual Meeting in accordance with the terms of our Third Amended and Restated Bylaws.

The Board of Directors has fixed the close of business on April 26, 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

**Eldridge A. Burns, Jr.**

Secretary

April 29, 2016

SANTANDER CONSUMER USA HOLDINGS INC.

1601 Elm St. Suite 800

Dallas, Texas 75201

(214) 634-1110

*This Proxy Statement is being mailed beginning on or around April 29, 2016 to all stockholders entitled to vote at the Annual Meeting.*



**Table of Contents**

**Table of Contents**

<b><u>Information Concerning Solicitation and Voting</u></b>	<b>1</b>
<b><u>Corporate Governance</u></b>	<b>4</b>
<u>Proposal 1: Election Of Directors</u>	4
<u>Director Independence</u>	11
<u>Board Leadership Structure and Risk Oversight</u>	12
<u>Board Committees</u>	13
<u>Director Compensation</u>	16
<u>Nomination of Directors</u>	18
<b><u>Executive Officers</u></b>	<b>19</b>
<b><u>Audit</u></b>	<b>21</b>
<u>Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm</u>	21
<u>Audit Fees and Related Matters</u>	23
<u>Report of the Audit Committee</u>	24
<b><u>Compensation</u></b>	<b>25</b>
<u>Proposal 3: Approval of the Amendment and Restatement of the Santander Consumer USA Holdings Inc. Omnibus Incentive Plan</u>	25
<u>Compensation Discussion and Analysis</u>	34
<u>Compensation Committee Report</u>	47
<u>Executive Compensation Tables</u>	47
Table of Contents	9

SC 2016 Proxy Statement

i

**Table of Contents**

**Table of Contents**

<b><u>Additional Governance Information</u></b>	<b>60</b>
<u>Related Party Transactions</u>	<b>60</b>
<u>Stock Ownership Information</u>	<b>65</b>
<u>Code of Conduct and Ethics</u>	<b>66</b>
<u>Corporate Governance Guidelines</u>	<b>66</b>
<u>Director Attendance</u>	<b>66</b>
<u>Stockholder Communications</u>	<b>66</b>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<b>66</b>
<b><u>Other Information</u></b>	<b>67</b>

**Table of Contents**

**PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON:** June 16, 2016

**Information Concerning**

**Solicitation and Voting**

**Introduction**

We are furnishing this Proxy Statement on behalf of the Board of Directors (the "Board of Directors" or the "Board") of Santander Consumer USA Holdings Inc., a Delaware corporation, for use at our 2016 Annual Meeting of Stockholders, or at any adjournments or postponements of the meeting (the "Annual Meeting"), for the purposes set forth below and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 1601 Elm Street, Suite 800, Dallas, Texas 75201, at 9:00 a.m. local time, on June 16, 2016.

As used in this Proxy Statement, the terms "Company", "us", "we", "our", and "SC" refer to Santander Consumer USA Holdings Inc., and, where appropriate, Santander Consumer USA Holdings Inc., and its subsidiaries. The term "Common Stock" means shares of our common stock, par value, \$.01 per share.

**Stockholders Entitled to Notice and to Vote; Quorum**

Only holders of record of our Common Stock at the close of business on April 26, 2016, which the Board of Directors has set as the record date, are entitled to notice of, and to vote at, the Annual Meeting. As of the record date, we had 358,169,999 shares of Common Stock outstanding and entitled to vote at the Annual Meeting, and our shares of Common Stock were held by approximately 26 stockholders of record. Each stockholder of record of Common Stock on the record date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting. There are no cumulative voting rights in the election of directors.

The presence, in person or by proxy, of a majority of the votes entitled to be cast on a matter to be voted on at the Annual Meeting constitutes a quorum for action on that matter. The shares of Common Stock represented by properly executed proxy cards or properly authenticated voting instructions recorded electronically through the Internet or by telephone, will be counted for purposes of determining the presence of a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted toward fulfillment of quorum requirements. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

## Table of Contents

### Information Concerning Solicitation and Voting

#### Distinction Between Holding Shares as a Stockholder of Record and as a Beneficial Owner

Some of our stockholders hold their shares through a broker, trustee, or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those shares owned beneficially.

**Stockholder of Record.** If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., then you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your voting proxy directly to us or to a third party, or to vote in person at the Annual Meeting.

**Beneficial Owner.** If your shares are held in a brokerage account, by a trustee or, by another nominee, then you are considered the beneficial owner of those shares. As the beneficial owner of those shares, you have the right to direct your broker, trustee, or nominee how to vote and you also are invited to attend the Annual Meeting. However, because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

If you are not a stockholder of record, please understand that we do not know that you are a stockholder, or how many shares you own.

#### Voting Deadline

If you are a stockholder of record on the record date, then your proxy must be received no later than 5:00 p.m., Eastern time on June 15, 2016 to be counted. If you are the beneficial owner of your shares held through a broker, trustee, or other nominee, please follow the instructions of your broker, trustee, or other nominee in determining the deadline for submitting your proxy.

#### Voting without Attending the Annual Meeting

Whether you hold shares directly as a stockholder of record or through a broker, trustee, or other nominee, you may direct how your shares are voted without attending the Annual Meeting. You may give voting instructions by the Internet, by telephone, or by mail. Instructions are on the proxy card. The proxy holders will vote all properly executed proxies that are delivered in response to this solicitation, and not later revoked, in accordance with the instructions given by you.

#### Voting in Person

Shares held in your name as the stockholder of record on the record date may be voted in person at the Annual Meeting. Shares for which you are the beneficial owner but not the stockholder of record may be voted in person at

the Annual Meeting only if you obtain a legal proxy from the broker, trustee, or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you vote by proxy as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.

The vote you cast in person will supersede any previous votes that you may have submitted, whether by Internet, telephone, or mail.

### Voting Requirements

At the Annual Meeting, stockholders will consider and act upon (1) the election of thirteen (13) directors, (2) the ratification of the appointment of our independent registered public accounting firm, (3) the approval of the amendment and restatement of the Santander Consumer USA Holdings Inc. Omnibus Incentive Plan (the Omnibus Plan ) and (4) such other business as may properly come before the Annual Meeting.

Our Third Amended and Restated Bylaws (the Bylaws ) provide that directors are elected by a plurality of the votes cast. This means that the director nominee with the most votes for a particular seat on the Board of Directors is elected for that seat. Only votes actually cast will be counted for purposes of determining whether a director nominee received the most votes for a particular seat on the Board of Directors. Abstentions and the withholding of authority by a stockholder (including broker non-votes) as to the election of directors (Proposal 1) are not treated as votes cast and thus have no effect on the results of the election.

Under our Bylaws, the ratification of the appointment of our independent registered public accounting firm (Proposal 2) and the approval of the amended and restated Omnibus Plan (Proposal 3) must be approved by the affirmative vote of a majority of the votes cast. Abstentions and broker non-votes are not treated as votes cast and thus have no effect on the vote for either Proposal 2 or Proposal 3.

**Table of Contents**

**Information Concerning Solicitation and Voting**

Under current New York Stock Exchange (the "NYSE") rules, a broker, bank or other nominee may exercise discretionary voting power for the ratification of the selection of our independent registered public accounting firm. However, the election of directors and the approval of the amended and restated Omnibus Plan are non-routine matters and the NYSE does not permit a broker, bank or other nominee to exercise discretionary voting power with regard to such a proposal. Therefore, if you are a beneficial owner and do not provide your broker, bank or other nominee with voting instructions on either the election of directors (Proposal 1) or the amended and restated Omnibus Plan (Proposal 3), then your vote will not count either for or against the election of the nominees or for or against the approval of the amended and restated Omnibus Plan.

As of March 31, 2016, our directors and executive officers owned or controlled the power to vote 42,188,818 shares of Common Stock eligible to be voted at the Annual Meeting (excluding options not exercisable prior to the record date), constituting approximately 11.56% of the outstanding Common Stock. In addition, Santander Holdings USA, Inc. ("SHUSA"), our controlling stockholder and a subsidiary of Banco Santander, S.A. ("Santander"), owns 210,995,049 shares of Common Stock, constituting approximately 58.92% of the outstanding Common Stock. We believe that our directors, executive officers and SHUSA will vote all of their shares of Common Stock in favor of the election of each of the director nominees and in favor of Proposals 2 and 3, and therefore, the outcome of these matters is reasonably assured.

**Treatment of Voting Instructions**

If you provide specific voting instructions, your shares will be voted as instructed.

If you hold shares as the stockholder of record and sign and return a proxy card or vote by Internet or telephone without giving specific voting instructions, then your shares will be voted in accordance with the recommendations of our Board of Directors. Our Board of Directors recommends (1) a vote for the election of José Doncel Razola, Stephen A. Ferriss, Victor Hill, Mark P. Hurley, Brian Gunn, Jason A. Kulas, Javier Maldonado, Blythe Masters, Robert J. McCarthy, Gerald P. Plush, William Rainer, Wolfgang Schoellkopf and Heidi Ueberroth to our Board of Directors, (2) a vote for the ratification of the appointment of PricewaterhouseCoopers as our independent registered public accounting firm and (3) a vote for the approval of the amendment and restatement of the Santander Consumer USA Holdings Inc. Omnibus Incentive Plan. In the event that any director nominee is unavailable for election, such shares may be voted for the election of such substitute nominee or nominees, if any, as the Board of Directors may select.

You may have granted to your broker, trustee, or other nominee discretionary voting authority over your account. Your broker, trustee, or other nominee may be able to vote your shares depending on the terms of the agreement you have with your broker, trustee, or other nominee.

The persons identified as having the authority to vote the proxies granted by the proxy card will also have discretionary authority to vote, in their discretion, to the extent permitted by applicable law, on such other business as may properly come before the Annual Meeting and any postponement or adjournment. The Board of Directors is not aware of any other matters that are likely to be brought before the Annual Meeting. If any other matter is properly presented for action at the Annual Meeting, including a proposal to adjourn or postpone the Annual Meeting to permit

us to solicit additional proxies in favor of any proposal, the persons named in the proxy card will vote on such matter in their own discretion.

#### Revocability of Proxies

A stockholder of record who has given a proxy may revoke it at any time prior to its exercise at the Annual Meeting by either (i) giving written notice of revocation to our Corporate Secretary, (ii) properly submitting a duly executed proxy bearing a later date, or (iii) appearing in person at the Annual Meeting and voting in person.

If you are the beneficial owner of shares held through a broker, trustee, or other nominee, you must follow the specific instructions provided to you by your broker, trustee, or other nominee to change or revoke any instructions you have already provided to your broker, trustee, or other nominee.



**Table of Contents**

**Corporate Governance**

**Proposal 1:**

**Election of Directors**

**WHAT YOU ARE VOTING ON?:** At the 2016 annual meeting,

13 directors are to be elected to hold office until

the 2017 annual meeting and until their successors are elected or

qualified or until the directors either resign or are removed from office.

**Introduction**

As of the date of our annual meeting, our Board will consist of thirteen members. The current members are José Doncel Razola, Stephen A. Ferriss, Victor Hill, Mark P. Hurley, Brian Gunn, Jason A. Kulas, Javier Maldonado, Blythe Masters, Robert J. McCarthy, Gerald P. Plush, William Rainer, Wolfgang Schoellkopf and Heidi Ueberroth.

SHUSA has the right to nominate eight members of our Board. See *Nomination of Directors*. SHUSA has nominated Mr. Doncel Razola, Mr. Ferriss, Mr. Hill, Mr. Gunn, Mr. Kulas, Mr. Maldonado, Mr. Plush and Mr. Schoellkopf for election to the Board of Directors. The Board of Directors has nominated Mr. Hurley, Ms. Masters, Mr. McCarthy, Mr. Rainer and Ms. Ueberroth for election to the Board of Directors. The Board has determined that Mr. Ferriss, Mr. Hurley, Ms. Masters, Mr. McCarthy, Mr. Schoellkopf, Mr. Rainer and Ms. Ueberroth are independent directors.

Each of the directors elected at the Annual Meeting will be elected for a one-year term which expires at the next annual meeting and will serve until the director's successor has been elected and qualified, or until the director's earlier resignation or removal.

**Information Concerning the Nominees**

Biographical information for each nominee for election to our Board appears below. The information is based entirely upon information provided by the respective nominees.

**Table of Contents****Corporate Governance****José Doncel**Director since: **December 2015** Age: **55**

Razola

**EXPERIENCE**

Mr. Doncel Razola has served as a senior executive of Santander and certain predecessor companies since 1993, most recently as Senior Executive Vice President and Director of the Accounting and Control division since October 2014, as Senior Executive Vice President and Director of the Corporate Division of Internal Audit from June 2013 to October 2014, and as Senior Executive Vice President and Director General of the Retail Banking Management Control Area from April 2013 to June 2013. He was also previously employed by Arthur Andersen Auditores, S.A., Division of Financial Institutions. He is a chairman of Banco de Albacete, S.A. and a member of the board of directors of Santander Holding Internacional, S.A., Santusa Holding, S.L., Grupo Empresarial Santander, S.L., Administración de Bancos Latinoamericanos Santander, S.L., Banco Santander (México), S.A. de C.V., Grupo Financiero Santander, S.A. de C.V., Ingeniería de Software Bancario, S.L., Geoban, S.A., Produban Servicios Informáticos Generales, S.L., Santander Consumo, S.A. de C.V., Santander Hipotecario, S.A. de C.V., Santander Vivienda, S.A. de C.V. and Casa de Bolsa Santander, S.A. de C.V. Mr. Doncel Razola holds a degree in economic and business sciences from the Universidad Complutense de Madrid. Mr. Doncel has extensive experience in leadership, finance and risk management, and we believe he is qualified to serve on our Board.

**Stephen A.**Director since: **2013** Age: **70**

Ferriss

**EXPERIENCE**

Mr. Ferriss has served as a director of SHUSA since 2012 and is also the chairman of the boards of Santander BanCorp and Banco Santander Puerto Rico. He is also the senior independent director of Management Consulting Group PLC, London. Mr. Ferriss was a director of Santander Bank, N.A., a wholly owned subsidiary of SHUSA ( SBNA ), from 2012 to

**Vice-Chair  
of the Board**

2015 and was also a director of Iberchem in Madrid, Spain from 2007 until 2013. Previously, he served as President and Chief Executive Officer of Santander Central Hispano Investment Services, Inc. from 1999 to 2002, and held various roles at Bankers Trust, including Managing Director and Partner of the Bankers Trust Global Investment Bank in London and New York. Prior to Bankers Trust, Mr. Ferriss spent 19 years at Bank of America. Mr. Ferriss graduated from Columbia College and received a master's degree in Latin American international economics from Columbia University School of International and Public Affairs. Mr. Ferriss brings extensive experience in management and international finance to the Board, and we believe he is qualified to serve on our Board.

**COMMITTEES**

**Audit**

**Executive**

**Table of Contents****Corporate Governance****Brian**Director since: **December 2015** Age: **43****Gunn****EXPERIENCE****COMMITTEES****Risk**

Mr. Gunn has served as the Chief Risk Officer of SHUSA since June 2015 and is responsible for overseeing all of the risk management functions for Santander in the United States. Prior to joining SHUSA, he was employed by Ally Financial Inc. since 2008, most recently as Chief Risk Officer from November 2011 to June 2015. Prior to joining Ally, Mr. Gunn was employed by GE Money serving in a variety of risk management positions, most recently as the Chief Risk Officer of GE Money Canada. He holds a bachelor's degree in finance from Providence College and a master's degree in business administration from Hofstra University. Mr. Gunn has extensive experience in risk management and finance, and we believe he is qualified to serve on our Board.

**Victor**Director since: **2015** Age: **52****Hill****EXPERIENCE****COMMITTEES****Regulatory  
and  
Compliance**

Mr. Hill has served as Managing Director of Santander Consumer (UK) plc, which he founded, since July 2005 and as Managing Director of First National Motor plc, a subsidiary of Santander Consumer (UK), since February 2004. Mr. Hill joined Lombard North Central plc in 1982, remaining with the business through its change of ownership and rebranding to First National Motor plc in 1998. Mr. Hill has since held a number of executive positions at First National Motor plc, including Head of the Department – Customer Services (Motor Finance) from February 1994 to December 1999, Operations Director (Motor Finance) from January 2000 to April 2002, Group Customer Services Director from May 2002 to April 2003 and Director from April 2003 to February 2004. Mr. Hill also serves as a director of Hyundai Capital UK Ltd., Santander Consumer UK, PSA Finance plc and First National Motor plc. He has previously served as a director of several companies in the Abbey National Group from

**Oversight**

November 2003 to September 2009 and of GE Capital Bank Limited from January 2009 to May 2009. Mr. Hill has extensive experience in management and in the auto finance industry, and we believe he is qualified to serve on our Board.

**Risk**

**Table of Contents****Corporate Governance**

Mark P.  
Hurley

Director since: **April 2016** Age: **57**

**EXPERIENCE**

Mr. Hurley co-founded Fiduciary Network, a specialty finance business focused on wealth management companies, and has served as its Chairman and Chief Executive Officer since 2006. Mr. Hurley served as Chairman and Chief Executive Officer of Undiscovered Managers, a mutual fund company that he founded, from 1997 until 2004, when it was sold to JPMorgan. He previously was a Managing Director at Merrill Lynch, a Vice President at Goldman Sachs and served as the Director of Resolutions at the Office of Thrift Supervision, United States Treasury Department. Mr. Hurley currently serves on the University of North Texas Foundation. He holds a bachelor's degree in engineering and history from the United States Military Academy and a master's degree in business administration from the Stanford Graduate School of Business. Mr. Hurley also was a Captain in the United States Army Field Artillery, serving for five years. Mr. Hurley has extensive managerial and finance experience, and we believe he is qualified to serve on our Board.

Jason A.

Director since: **2015** Age: **45**

Kulas

**EXPERIENCE**

Mr. Kulas has served as our Chief Executive Officer since July 2015 and as our President since February 2016 having previously served as our President from November 2013 to July 2015 and our Chief Financial Officer from January 2007 to July 2015. Since July 2015, he has also served as a director, having previously served on our Board from 2007 to 2012. Prior to joining us, Mr. Kulas was a Managing Director in investment banking for JPMorgan Securities, Inc., where he was employed from 1995 to 2007. Mr. Kulas also worked as an analyst for Dun & Bradstreet and as an adjunct professor at Texas Christian University. He has served as a director of SHUSA since October 2015 and also currently serves as a member of the Board of the nonprofit Santander Consumer USA Inc. Foundation. Mr. Kulas holds a bachelor's degree in chemistry from Southern Methodist University and a master's degree in business administration

**Chief Executive  
Officer**

**COMMITTEES**

from Texas Christian University. Mr. Kulas has extensive knowledge and experience in finance and in the consumer finance industry, and we believe he is qualified to serve on our Board.

**Executive**

SC 2016 Proxy Statement

7

**Table of Contents****Corporate Governance**

Javier

Director since: **2015** Age: **53**

Maldonado

**EXPERIENCE****COMMITTEES****Compensation****Regulatory and  
Compliance  
Oversight**

Mr. Maldonado has served as Senior Executive Vice President, Global Head of Cost Control of Santander since October 2015. He has held numerous management positions at Santander, including Senior Executive Vice President of Santander, Head of the New General Directorate for Coordination and Control of Regulatory Projects, from September 2014 to October 2015; Executive Committee Director, Head of Internal Control and Corporate Development, for Santander (UK) plc ( Santander UK ) from May 2012 to September 2014; Vice President in Charge of Closed Funds and Complaints for Banco Santander Brazil from October 2011 to April 2012; and General Manager for Santander in the Middle East from January 2011 to September 2011. Previously, Mr. Maldonado was an attorney with Baker & McKenzie and Corporate and International Law Department Head at J.Y. Hernandez-Canut Law Firm. Mr. Maldonado has served as a director of SHUSA since April 2015 and has served as vice-chairman of the board of SHUSA since October 2015. He also currently serves as a director of Banco Santander Puerto Rico and Santander BanCorp and as a director of Saudi Hollandi Bank Riyadh. He holds law degrees from Northwestern University and UNED University. Mr. Maldonado has extensive knowledge and experience in international finance and legal and regulatory affairs, and we believe he is qualified to serve on our Board.

Blythe

Director since: **2015** Age: **47**

Masters

**EXPERIENCE****Chair of the  
Board**

Ms. Masters is currently the Chief Executive Officer of Digital Asset Holdings, a company engaged in cryptographically secure settlement and ledger services. Previously, Ms. Masters held senior executive roles at J.P. Morgan Chase & Co., where she served as the head of its global commodity business from 2007 to 2014, as the head of Corporate & Investment Bank Regulatory Affairs from 2012 to 2014, and as Chief Financial Officer of J.P. Morgan's investment bank from 2004 to 2007. Ms. Masters is the former chair of both the Global Financial Markets Association (GFMA) and the Securities Industry and Financial Markets



**COMMITTEES**

Association, and currently serves on the boards of the Breast Cancer Research Foundation and the Global Fund for Women. She received her bachelor's degree in economics from Trinity College, Cambridge University. Ms. Masters has extensive knowledge and experience in business, finance and regulatory affairs, and we believe she is qualified to serve on our Board.

**Executive (Chair)**

**Table of Contents****Corporate Governance****Robert J.**Director since: **2015** Age: **62****McCarthy****EXPERIENCE**

Mr. McCarthy has served as Chairman of Hotel Development Partners since March 2014. Mr. McCarthy joined Marriott International, Inc. in 1975, where he served in various leadership positions including Senior Vice President, Northeast Region from 1995 to 2000; Executive Vice President, Operations from 2000 to 2002; President, North America from 2003 to 2009; and Group President from 2009 to 2011, and served as Chief Operations Officer from March 2012 until February 2014. Mr. McCarthy currently is a member of the Board of Trustees at Villanova University and a member of the Board of Priton, LLC. Previously, Mr. McCarthy served as a director of the ServiceSource Foundation, as a member of the Autism Learning Center, as a member of the Dean's Advisory Board at Cornell University School of Hotel Administration, as a member of the Dean's Advisory Board at Villanova University School of Business and as a member of the board of managers at Avendra, LLC. Mr. McCarthy holds a bachelor's degree in business administration from Villanova University and is a graduate of the Advanced Management Program at the Wharton School of Business at the University of Pennsylvania. Mr. McCarthy has extensive managerial and finance experience, and we believe he is qualified to serve on our Board.

**COMMITTEES****Audit****Compensation****Regulatory  
and  
Compliance  
Oversight****Gerald P.**Director since: **2014** Age: **57****Plush****EXPERIENCE**

Mr. Plush has served as the Chief Administration Officer of SHUSA since April 2016. From April 2014 to April 2016, he served as Chief Financial Officer of SHUSA. From December

**COMMITTEES**

**Risk**

2011 to September 2013, Mr. Plush was a member of the board of directors and President and Chief Operating Officer of Webster Bank, where he had previously served as Chief Financial Officer and Chief Risk Officer. Before joining Webster Bank, he also served in various roles at MBNA Corporation from 1995 to 2006, most recently as senior executive vice president and managing director for corporate development. Mr. Plush also has served as a director of the Federal Home Loan Bank of Pittsburgh since November 2015. Mr. Plush has a bachelor's degree in accounting from St. Joseph's University in Philadelphia, Pennsylvania and is a Certified Public Accountant and Certified Management Accountant. Mr. Plush has extensive knowledge and experience in finance and risk management, and we believe he is qualified to serve on our Board.

**Table of Contents****Corporate Governance****William**Director since: **2015** Age: **70****Rainer****EXPERIENCE**

Mr. Rainer has extensive experience and has held numerous leadership roles in the financial services industry. From 2001 to 2004, Mr. Rainer served as the Chairman and Chief Executive Officer of OneChicago, LLC, a regulated futures exchange. He also served as the Chairman of the Commodity Futures Trading Commission from 1999 to 2001, as Chairman of the United States Enrichment Corporation from 1994 to 1998, and as Founder of Greenwich Capital Markets, Inc. from 1981 to 1988. Previously, Mr. Rainer held various leadership positions at Kidder, Peabody & Co., Inc. From July 2015 to March 2016, he served as a director of Banco Santander International (BSI), an affiliate of the Company, and from December 2015 to March 2016, he served as chairman of the board of Santander Investment Securities, Inc. (SIS), an affiliate of the Company. Mr. Rainer served as director of IQ Funds, a family of closed-end mutual funds, from 2004 until 2010. From 1996 to 2000 and from 2004 to 2008, Mr. Rainer served as a trustee for Southern Methodist University. He has served as a member of the Dean's Council of the Harvard Divinity School since 2003 and as its Chair from 2005 through June 2013. He is currently the Chairman of Shortridge Academy, Ltd. and New Braunfels Communications, Inc. Mr. Rainer received his bachelor's degree in economics and master's degree in business administration from Southern Methodist University. Mr. Rainer has extensive knowledge and experience in finance, regulatory affairs, and leadership of financial services firms, and we believe he is qualified to serve on our Board.

**COMMITTEES****Audit** (Chair)**Executive****Regulatory and  
Compliance  
Oversight** (Chair)**Risk****Wolfgang**Director since: **2015** Age: **83****Schoellkopf****EXPERIENCE**

**COMMITTEES**

**Audit**

**Executive**

**Risk (Chair)**

For over twenty years, Mr. Schoellkopf served in numerous management roles at Chase Manhattan Bank, N.A., including Executive Vice President and Treasurer. Mr. Schoellkopf is a former Managing Partner of Lykos Capital Management, LLC, before which, he served as the Chief Executive Officer for US Operations at Bank Austria. He has also served as Vice Chairman and Chief Financial Officer of First Fidelity Bancorp and as Executive Vice President and Director of Global Foreign Exchange at Shearson Lehmann. He has served on the boards of directors of SHUSA and of SBNA since 2009. He is a director of The Bank of N.T. Butterfield & Son Limited, and he also served as a director of the SLM Corporation (Sallie Mae) from 1998 until 2014. Mr. Schoellkopf studied economics at the University of California, Berkeley, the University of Munich and Cornell University and lectured in economics at Cornell University and Princeton University. Mr. Schoellkopf has extensive experience in finance, risk management and in the banking industry, and we believe he is qualified to serve on our Board.

**Table of Contents****Corporate Governance**Director since: **2014** Age: **50**

Heidi

**EXPERIENCE**

Ueberroth

Ms. Ueberroth has served in a variety of senior executive positions with the National Basketball Association from 1994 to December 2013, most recently as President of NBA International. She currently serves as a director of the Pebble Beach Company, the Monterey Peninsula Foundation, Ueberroth Family Foundation, as a trustee of the Cancer Research Institute and as a member of the Board of Visitors of the Arts and Science College of Vanderbilt University.

**COMMITTEES**

Previously, she served on the board of directors of NBA China from 2008 through December 2013. Ms. Ueberroth holds a bachelor's degree from Vanderbilt University. Ms. Ueberroth has

**Compensation**  
(Chair)

extensive experience in business operations, international management and consumer marketing, and we believe she is qualified to serve on our Board.

**Executive****Director Independence**

Because we are a controlled company, we are exempt from the requirement in the NYSE Listed Company Rules that a majority of our directors must be independent. In addition, we are exempt from the requirements to form a Nominating and Governance Committee and that our Compensation Committee be composed solely of directors who meet additional, heightened independence standards under the NYSE Listed Company Rules and the rules of the Securities and Exchange Commission ( SEC ). However, effective January 22, 2015, the Company was subject to the requirement that all members of the Audit Committee satisfy independence requirements set forth under the NYSE Listed Company Rules and meet the additional criteria for independence of audit committee members set forth in Rule of 10A-3(b)(1) under the Exchange Act.

Under the NYSE Listed Company Rules, to be considered independent, the director must not have a disqualifying relationship, as defined in the NYSE Listed Company Rules; and the Board must affirmatively determine that the director otherwise has no direct or indirect material relationship with the Company. In making independence determinations, the Board complies with all NYSE and SEC criteria and considers all relevant facts and circumstances. The Board has determined that Mr. Ferriss, Mr. Hurley, Ms. Masters, Mr. McCarthy, Mr. Rainer, Mr. Schoellkopf and Ms. Ueberroth (the Independent Directors ) are independent as defined by the NYSE Listed Company Rules and the SEC's rules. In assessing the independence of the Independent Directors, the Board

considered, without limitation, the following transactions, relationships and arrangements:

DIRECTOR	ORGANIZATION	RELATIONSHIP	SC TRANSACTION/ RELATIONSHIP
Mr. Ferriss	SHUSA	Director	Majority Stockholder
	SBNA	Former Director	Affiliate
	Santander Central Hispano Investment Services, Inc.	Former CEO	Affiliate
	Santander BanCorp	Director	Affiliate
	Banco Santander Puerto Rico	Chairman of the Board	Affiliate
Ms. Masters	Santander InnoVentures ( InnoVentures )	Business Relationship	During 2016, InnoVentures, a subsidiary of Santander, invested \$999,995.80 in Digital Asset Holdings, a company of which Ms. Masters serves as CEO.
Mr. Rainer	BSI	Former Director	Affiliate
	SIS	Former Chairman	Affiliate
Mr. Schoellkopf	SHUSA	Director	Majority Stockholder
	SBNA	Director	Affiliate

The Board has also determined that each member of the Audit Committee (Mr. Ferriss, Mr. McCarthy, Mr. Rainer and Mr. Schoellkopf) is an audit committee financial expert in accordance with the definition established by the SEC. Further, all of the directors, except for Mr. Kulas (the Outside Directors ), qualify as outside directors as defined by the NYSE Listed Company Rules.

## **Table of Contents**

### **Corporate Governance**

#### **Board Leadership Structure and**

#### **Risk Oversight**

Our Board is responsible for the oversight of management on behalf of our stockholders. The Board and its committees meet periodically throughout the year to (i) review strategy, business and financial performance, risk and control matters, and compensation and management development, and (ii) provide guidance to and oversight of, and otherwise assess and advise, the CEO and other senior executives. The Board's leadership structure, described below, is designed to ensure that authority and responsibility are effectively allocated between the Board and management.

Our Board does not have any formal policy on whether the same person should serve as both the CEO and Chair of the Board, as the Board believes that it should have the flexibility to make the determination of the appropriate leadership for us at any given point in time. Thomas G. Dundon served as our Chairman of the Board and CEO until July 2015. Upon Mr. Dundon's separation from the Company, our Board decided to separate the positions of Chair of the Board and CEO, and appointed Ms. Masters, an independent director, as the Chair of our Board, and Mr. Kulas as our CEO. We believe that having an independent board chair can create an environment that leads to objective evaluation and oversight of management's performance, increases management accountability and improves the ability of the Board to monitor whether management's actions are in the best interests of all stockholders. As a result, at this time, we believe that Ms. Masters serving as our independent chair enhances the effectiveness of the Board as a whole.

The Chair of the Board leads our Board, sets the tone for its culture and ensures its effectiveness in overseeing the Company and its management. The Chair presides at all meetings of the Board, as well as executive sessions of outside directors and, in consultation with the CEO, other directors and management, establishes the agenda for each Board meeting. The Chair also has the power to call special meetings of the Board. Mr. Ferriss serves as our Board's Vice Chair, who acts as Chair of the Board if Ms. Masters is absent.

The Company has established a risk governance structure that assigns responsibility for risk management among front-line business personnel, an independent risk management function, and internal audit. According to this model, business owners maintain responsibility for identifying and mitigating the risks generated through their business activities. The Chief Risk Officer (CRO), who reports to the CEO and is independent of any business line, is responsible for developing and maintaining a risk framework that ensures risks are appropriately identified and mitigated, and for reporting on the overall level of risk in the Company. The CRO is also accountable to the Risk Committee and to SHUSA's Chief Risk Officer. The CRO is charged with the implementation and execution of the enterprise risk management (ERM) program under the oversight of the Board and its committees.

Risk management is overseen by our Board through four standing committees: the Risk Committee, the Audit Committee, the Compensation Committee and the Regulatory and Compliance Oversight Committee, each of which is chaired by an independent director. Committee chairs are responsible for calling meetings of their committees, presiding at meetings of their committees, approving agendas and materials for their committee meetings, serving as a liaison between committee members and the Board, and between committee members and senior management, including the CEO and CRO, and working directly with the senior management responsible for committee matters.



Each Board committee provides regular reports to the Board regarding matters reviewed at the Board committee.

In addition to receiving and discussing reports of risks under the purview of a particular committee, the Board monitors the Company's risk culture and reviews specific and aggregate risks the Company faces. Further, at least annually, the Board approves, at the recommendation of the Risk Committee, a Risk Appetite Statement (a RAS), which defines the levels and types of risks the Company is willing to assume to achieve its business plans while controlling risk exposures within the Company's risk capacity. In addition, the RAS establishes principles for risk taking in the aggregate and for each risk type, and is supported by a comprehensive system of risk limits, escalation triggers and control programs.

The Risk Committee is charged with responsibility for establishing governance over the ERM process, providing oversight of risk policies and risk management performance. The Risk Committee monitors the Company's aggregate risk position and reporting on the comprehensive portfolio of risk categories and the potential impact these risks can have on our risk profile. A comprehensive risk report is submitted regularly by the CRO to the Risk Committee and to the Board providing management's view of our risk position. Further, the Risk Committee reviews and recommends for the Board's approval the RAS and an ERM Policy along with various sub-policies governing, without limitation, enterprise risk, credit risk, information risk, market and liquidity risk, operational risk, model risk and strategic risk. The Risk Committee also provides oversight of the Company's impact on SHUSA's compliance with its capital adequacy assessment process, including its Comprehensive Capital and Review (CCAR) submissions and resolution planning. The Risk Committee also reviews and concurs in the appointment, replacement, performance and compensation of the CRO.

The Audit Committee is charged with responsibility for oversight relating to the integrity of the Company's financial statements and financial reporting process, the integrity of our systems of internal accounting and financial controls and internal and external auditing, including the qualifications and independence of our independent registered public accounting firm. The Audit Committee oversees the performance of the Company's internal audit function and reviews and concurs in

**Table of Contents**

**Corporate Governance**

the appointment, replacement, performance and compensation

of the Company's Chief Internal Auditor and approves internal audit's annual audit plan, charter, policies and budget. The Audit Committee also receives regular updates on the audit plan's status and results including significant reports issued by internal audit and the status of management's corrective actions. The Audit Committee also reviews risk management policies and procedures related to financial and accounting matters, including, without limitation, our Supplemental Statement of Ethics and Code of Ethics for the CEO and Senior Financial Officers.

The Compensation Committee works to ensure that the compensation programs covering the Company's executives, business units and risk-taking employees appropriately balance risk with incentives such that business performance is achieved without taking imprudent or uneconomic risks. At least annually, our Compensation Committee conducts an assessment of the compensation policies and practices for our employees, including our executive officers. The assessment includes whether such compensation policies and practices created risks that were reasonably likely to have a material adverse effect on the Company.

The Regulatory and Compliance Oversight Committee is charged with the oversight of risk relating to the effectiveness of

the Company's compliance management system. The Regulatory and Compliance Oversight Committee also oversees the Company's progress in remediating risks identified in risk assessment findings, internal audit findings and outstanding corrective actions identified by regulators in examination reports, enforcement actions and other communications.

In addition to the Board and Board committees, the CEO and CRO delegate risk responsibility to management committees including the Enterprise Risk Management Committee (ERMC), which is chaired by our CRO. The ERMC is responsible for ERM governance and oversight. The ERMC maintains and monitors compliance with the RAS and the limits and escalations defined in it. The ERMC oversees implementation of risk policies across the Company with approval by the Board or the appropriate Board committee. The ERMC also reviews and reports to the Board or appropriate Board committees on key risk exposures, trends, and concentrations and significant compliance matters and provides guidance on the steps to monitor, control and report major risks.

In addition, the Asset Liability Committee (ALCO) is responsible for managing market, liquidity and asset and liability risks. ALCO is chaired by the CFO, and the CRO is a member of ALCO.

**Board Committees**

The Board has five standing committees: the Audit Committee; the Compensation Committee; the Executive Committee; the Regulatory and Compliance Oversight Committee; and the Risk Committee. As described above, the Board has determined that all of the members of the Audit Committee are independent directors as defined in the

NYSE Listed Company Rules and the additional criteria for independence of audit committee members set forth in Rule of 10A-3(b)(1) under the Exchange Act. The charters for each committee may be found on SC's website at <http://investors.santanderconsumerusa.com>.

NAME	AUDIT	COMPENSATION	EXECUTIVE	REGULATORY AND COMPLIANCE	
				OVERSIGHT	RISK
Stephen A. Ferriss					
Brian Gunn					
Victor Hill					
Jason A. Kulas					
Javier Maldonado					
Blythe Masters			Chair		
Robert J. McCarthy					
Gerald P. Plush					
William Rainer	Chair			Chair	
Wolfgang Schoellkopf					Chair
Heidi Ueberroth		Chair			

**Table of Contents**

**Corporate Governance**

The following summarizes the membership of each committee, as well as the primary roles and responsibilities of each committee and the number of times each committee met in 2015.

**AUDIT COMMITTEE**

<b>Audit Committee members:</b>	Among other things, our Audit Committee:	Oversees the Company's internal audit function, including approval of the annual internal audit plan and the review of the performance of the Chief Internal Auditor.
Mr. Rainer (Chair)	Reviews financial reporting policies, procedures, and internal controls.	
Mr. Ferriss		Reviews certain risk management policies and procedures, certain policies, processes, and procedures regarding compliance matters, as well
Mr. McCarthy	Administers the appointment, compensation, and oversight of the Company's independent accounting firm.	as our Supplemental Statement of Ethics and Code of Ethics for the Chief Executive Officer and Senior Financial Officers.
Mr. Schoellkopf	Pre-approves audit, audit-related, and non-audit services to be performed by the Company's independent accounting firm.	

**Number of Meetings in 2015:** 14

Reviews and approves or ratifies all related-party transactions in accordance with the Company's policies and procedures with respect to the Company's Related Person Transactions Policy.

The Board has determined that each of the members is independent as defined by Section 10A(m)(3) of the Exchange Act, Rule 10A-3 under the Exchange Act, and the NYSE Listed Company Rules. The Board has also determined that each of the members is financially literate as required by Section 303A.07 of the NYSE Listed Company Rules and an audit committee financial expert as defined in the SEC's rules.

**COMPENSATION COMMITTEE**

<b>Compensation Committee members:</b>	Among other things, our Compensation Committee:	Sets performance measures and goals and verifies the attainment of performance goals under performance-based incentive compensation arrangements applicable to the Company's executive officers.
Ms. Ueberroth (Chair)	Reviews, approves and makes recommendations to the Board on the compensation of the Chief Executive Officer.	
Mr. Maldonado		Monitors and assesses whether the overall design and performance of the Company's compensation plans, policies and programs do not encourage employees, including our named executive officers, to take excessive risk.
Mr. McCarthy	Reviews and approves the compensation of each executive officer other than the Chief Executive Officer.	
<b>Number of Meetings in 2015:</b> 15	Reviews and makes recommendations to the Board regarding the compensation of the Independent Directors.	Oversees the management development, succession planning, and retention practices for our executive officers.
	Approves and evaluates all compensation plans, policies and programs of the Company as they affect the Company's directors, Chief Executive Officer and other executive officers.	

The Board has determined that Ms. Ueberroth, Mr. Maldonado, and Mr. McCarthy qualify as outside directors within the meaning of Internal Revenue Code Section 162(m) ( Section 162(m) ). The Board has determined that Ms. Ueberroth and Mr. McCarthy are independent as defined by the NYSE Listed Company Rules and qualify as non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended ( Rule 16b-3 ). Ms. Ueberroth and Mr. McCarthy constitute a subcommittee of the Compensation Committee when considering issues governed by Rule 16b-3.

**Table of Contents**

**Corporate Governance**

**EXECUTIVE COMMITTEE**

**Executive Committee members:** Our Executive Committee acts on the Board's behalf between Board meetings on all matters that may be lawfully delegated.

Ms. Masters (Chair)

Mr. Ferriss

Mr. Kulas

Mr. Rainer

Mr. Schoellkopf

Ms. Ueberroth

**Number of Meetings in 2015: 1**

The Board has determined that Ms. Masters, Mr. Ferriss, Mr. Rainer, Mr. Schoellkopf and Ms. Ueberroth are independent as defined by the NYSE Listed Company Rules.

**REGULATORY AND COMPLIANCE OVERSIGHT COMMITTEE**

**Regulatory and Compliance Oversight Committee members:** Among other things, our Regulatory and Compliance Oversight Committee: Oversees the Company's progress in responding to internal audit findings, risk assessment findings, and outstanding corrective actions identified by regulators in examination

Mr. Rainer (Chair)

Mr. Hill	Provides oversight and assesses the effectiveness of the Company's compliance management system.	reports, enforcement actions and other communications.
Mr. Maldonado		
Mr. McCarthy	Oversees the Company's compliance function including the Chief Compliance Officer.	Reviews the Company's regulatory correspondence and reports received from or submitted to regulators to ensure effective communication between the Company and its respective regulators.

**Number of Meetings in 2015: 2**

The Board has determined that Mr. Rainer and Mr. McCarthy are independent as defined by the NYSE Listed Company Rules.

## RISK COMMITTEE

<b>Risk Committee members:</b>	Among other things, our Risk Committee:	Oversees the Company's risk management function including the review of the performance of the Chief Risk Officer.
Mr. Schoellkopf (Chair)	Assesses and manages the Company's enterprise risk, credit risk, market risk, operational risk, liquidity risk and other risk matters.	
Mr. Gunn		Oversees and manages the Company's activities related to capital planning and analysis.
Mr. Hill	Provides oversight of the Company's risk governance structure in order to evaluate and control the Company's risks, including the approval of the Company's Risk Appetite Statement.	
Mr. Plush		
Mr. Rainer		

**Number of Meetings in 2015: 13**

The Board has determined that Mr. Schoellkopf and Mr. Rainer are independent as defined by the NYSE Listed Company Rules.

**Table of Contents**

**Corporate Governance**

**Director Compensation**

Effective July 24, 2014, we adopted a director compensation program that provided for the following compensation for independent members of our Board of Directors:

An annual cash board retainer of \$80,000; plus

An additional annual cash retainer of \$40,000 for the chair of our Audit Committee; plus

An additional annual cash retainer of \$20,000 for being a member of our Audit Committee; plus

An additional annual cash retainer of \$10,000 for the chair of any other committee of our Board of Directors; plus

An additional annual cash retainer of \$10,000 for being a member of any other committee; plus

An annual grant of stock options or restricted stock units ( RSUs ) with a grant date fair value equal to \$50,000 that vest ratably over three years.

The Compensation Committee periodically reviews the form and amount of director compensation and recommends changes to the Board, as appropriate. As a result of such review in 2015, the Compensation Committee recommended that the Board adopt a revised independent director compensation program, including increased annual cash retainers and committee chair and member retainers. These increased retainers reflect an increased workload for the Board and its committees in light of the regulatory and business challenges facing financial institutions generally and the Company specifically. The Compensation Committee also recommended a separate cash retainer for an independent Chair of the Board as the result of the decision by the Board to split the roles of CEO and Chair of the Board.

Effective July 15, 2015, the Board adopted a revised independent director compensation program that provides the following compensation for independent members of our Board of Directors:

An annual cash retainer of \$100,000 (paid quarterly in arrears); plus

An annual grant of restricted stock or RSUs with a grant date fair market value equal to \$50,000, vesting on the earlier of 1st anniversary of the grant date or 1st Annual Stockholder Meeting following the grant date (with the



grant date occurring at or around the start of the applicable term of service); plus  
\$70,000 in cash annually if the director serves as chair of any committee of the Board (paid quarterly in arrears);  
plus

\$20,000 in cash annually if the director serves as a non-chair member of any committee of the Board (paid quarterly in arrears); plus

\$600,000 in cash annually if the director also serves as the Chair of the Board (paid quarterly in arrears).

The revised independent director compensation program was approved by the Company's non-independent directors, who do not receive compensation for their service on the Board.

We may reimburse directors for their expenses in connection with their Board service or pay such expenses directly. We also pay the premiums on directors' and officers' liability insurance covering the directors.

#### Independent Non-Employee Director Stock Ownership Guidelines

In order to align the economic interests of our independent non-management directors with those of our stockholders, our Board has determined that our independent directors should hold a meaningful equity stake in SC. To that end, our Independent Non-Employee Director Stock Ownership Guidelines (adopted by our Board in January 2016) requires each of our independent directors to acquire and retain shares or share equivalents of our Common Stock with a target value not less than five times the annual equity retainer.

There is no required time period within which an independent director must attain the applicable stock ownership target. However, until the stock ownership target is achieved, the independent directors will be required to retain 100% of all shares of our Common Stock received under SC's independent director compensation program, after taking into account any applicable taxes due on the vesting of those shares.

As of the date hereof, all directors are in compliance with the Independent Non-Employee Director Stock Ownership Guidelines and on track to meet the stock ownership target.

**Table of Contents****Corporate Governance**

## Director Compensation Table for Fiscal Year 2015

The following table provides information regarding compensation for each non-employee member of our Board in 2015.

<b>NAME<sup>(1)</sup></b>	<b>FEES EARNED OR PAID IN CASH (\$)</b>	<b>STOCK AWARDS<sup>(2)</sup> (\$)</b>	<b>TOTAL (\$)</b>
<b>Roman Blanco<sup>(3)</sup></b>			
<b>John H. Corston<sup>(3)</sup></b>			
<b>Jose Garcia Cantera<sup>(4)</sup></b>			
<b>Gonzalo de Las Heras<sup>(3)</sup></b>			
<b>José Doncel Razola</b>			
<b>Thomas G. Dundon<sup>(5)</sup></b>			
<b>Stephen A. Ferriss</b>	162,174	76,712 <sup>(8)</sup>	238,886
<b>Brian Gunn</b>			
<b>William P. Hendry<sup>(3)</sup></b>	67,800		67,800
<b>Victor Hill</b>			
<b>Matthew Kabaker<sup>(3)</sup></b>			
<b>Mónica López-Monís<sup>(4)</sup></b>			
<b>Javier Maldonado</b>			
<b>Blythe Masters</b>	344,783	50,000 <sup>(9)</sup>	394,783
<b>Robert McCarthy</b>	67,663	50,000 <sup>(9)</sup>	117,663
<b>Tagar C. Olson<sup>(3)</sup></b>			
<b>Gerald P. Plush</b>			
<b>William Rainer</b>	107,962	50,000 <sup>(9)</sup>	157,962
<b>Javier San Felix<sup>(3)</sup></b>			
<b>Alberto Sánchez<sup>(6)</sup></b>			
<b>Wolfgang Schoellkopf</b>	149,348	76,712 <sup>(8)</sup>	226,060
<b>Heidi Ueberroth</b>	148,424	76,712 <sup>(8)</sup>	225,136
<b>Daniel Zilberman<sup>(7)</sup></b>			

(1) Under the Company's independent director compensation program, only independent directors are compensated for their service on the Board.

(2) To align our independent directors' compensation with stockholder interests, each independent director is granted a RSU award upon election or re-election. In 2015, each RSU award was granted on October 26, 2015 and will vest

upon the earlier of (i) the first anniversary of the grant date and (ii) the first annual stockholder meeting following the grant date. This column shows the aggregate fair value of the RSU awards calculated based on the closing price of the Company's stock on the NYSE on the grant date.

- (3) Director did not stand for re-election at the 2015 Annual Meeting of the Stockholders and served on the Board until July 15, 2015.
- (4) Director resigned from the Board effective December 15, 2015.
- (5) Mr. Dundon became a non-management member of the Board upon his departure from his role as Chief Executive Officer effective July 2, 2015. Mr. Dundon resigned from the Board on April 1, 2016. Because Mr. Dundon was not an independent director, he did not receive compensation for his service on the Board.
- (6) Mr. Sánchez resigned from the Board effective May 31, 2015.
- (7) Mr. Zilberman resigned from the Board effective January 27, 2015.
- (8) Represents a grant of RSUs on October 26, 2015 with a grant date fair market value of (i) \$50,000 for service as an independent director from the director's election at the 2015 Annual Meeting of the Stockholders through the 2016 Annual Meeting of the Stockholders and (ii) \$26,712 for service as an independent director from January 1, 2015 to July 14, 2015 (the day before the 2015 Annual Meeting of the Stockholders). The RSUs will vest the earlier of (i) the first anniversary of grant date and (ii) the first annual meeting of the stockholders following the grant date.
- (9) Represents a grant of RSUs on October 26, 2015 with a grant date fair market value of \$50,000 for service as an independent director from the director's election at the 2015 Annual Meeting of the Stockholders through the 2016 Annual Meeting of the Stockholders. The RSUs will vest the earlier of (i) the first anniversary of grant date and (ii) the first annual meeting of the stockholders following the grant date.

## Table of Contents

### Corporate Governance

#### Nomination of Directors

The Shareholders Agreement, by and among SC, SHUSA, Mr. Dundon, and certain other holders of our Common Stock, which we refer to as the Shareholders Agreement, provides SHUSA with special rights to nominate directors to our Board of Directors. See *Certain Relationships and Related Party Transactions Shareholders Agreement* for further information. Pursuant to the Shareholders Agreement, because SHUSA currently holds a majority of our Common Stock, SHUSA is entitled to nominate eight of our Board members. The Shareholders Agreement provides further that SHUSA may remove any director nominated by SHUSA with or without cause. In addition, SHUSA has the right to designate a replacement to fill a vacancy on our Board of Directors created by the departure of a director that was nominated by SHUSA, and we are required to take all action within our power to cause such vacancy to be filled by such designated replacement (including by promptly appointing such designee to the Board of Directors).

Also, pursuant to the Shareholders Agreement, Mr. Dundon has the right to serve on our Board so long as (i) he is the CEO of the Company or (ii) (a) he owns at least 5% of our then-outstanding shares of common stock (excluding shares acquired pursuant to any equity-based compensation plan) and (b) he has continued to comply with certain provisions of his employment agreement with the Company. Mr. Dundon has elected not to exercise this right in the Shareholders Agreement and has decided not to stand for election as a director at our 2016 Annual Meeting. On April 1, 2016, Mr. Dundon resigned from the Board.

With respect to directors not nominated by SHUSA, the Board identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of the Board does not wish to continue in service or if the Board decides not to re-nominate a member for re-election, the Board then identifies the desired skills and experience of a new nominee in light of the criteria described above. Current members of the Board are polled for suggestions as to individuals meeting the criteria described above. The Board may also engage search firms to identify qualified individuals. In evaluating a director nominee, the Board considers the following factors:

our needs with respect to the particular talents and experience of our directors;

the nominee's knowledge, skills and experience, including experience in finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board of Directors;

whether the nominee is independent, as that term is defined under the NYSE Listed Company Rules;  
the familiarity of the nominee with our industry;

the nominee's experience in legal and regulatory affairs;

the nominee's experience with accounting rules and practices; and

the desire to balance the benefit of continuity with the periodic injection of the fresh perspective provided by new Board members.

Our goal is to assemble a Board that brings together a variety of perspectives and skills derived from high quality business and professional experience. In doing so, the Board of Directors will also consider candidates with appropriate non-business backgrounds.

The Board is also committed to diversified Board membership. The Board will not discriminate on the basis of race, national origin, gender, sexual orientation, religion, or disability in selecting nominees. Diversity and inclusion are values embedded into the Company's culture and are fundamental to its business. In keeping with those values, when assessing a candidate, the Board considers the different viewpoints and experiences that a candidate could bring to the Board and how those viewpoints and experiences could enhance the Board's effectiveness in the execution of its responsibilities. In addition, the Board assesses the diversity of the Board and Board committees as a part of its annual self-evaluation process.

Other than the foregoing, there are no stated minimum criteria for director nominees. The Board may also consider such other factors as it may deem in our best interests and the best interests of our stockholders. We also believe it may be appropriate for key members of our management to participate as members of the Board.

Subject to the rights of our majority stockholder and Mr. Dundon, stockholders may nominate candidates for election to the Board. In order to nominate a candidate for election to the Board, stockholders must follow the procedures set forth in our Bylaws, including timely receipt by the Secretary of the Company of notice of the nomination and certain required disclosures with respect both to the nominating stockholder and the recommended director nominee. For complete description of the requirements and procedures for stockholder nominations, please refer to our Bylaws.

Directors may be elected by a plurality of votes cast at any meeting called for the election of directors at which a quorum is present. The presence of a majority of the holders of our Common Stock, whether in person or by proxy, constitutes a quorum. The Board did not receive any recommendations from stockholders (other than SHUSA) requesting that the Board consider a candidate for inclusion among the nominees in our Proxy Statement for this Annual Meeting. The absence of such a recommendation does not mean, however, that a recommendation would not have been considered had one been received.

**Table of Contents****Executive Officers**

The names, ages, and current positions of our executive officers as of the date of this proxy statement are listed in the table below. Each executive officer, including the CEO, is elected by the Board. Each executive officer holds office until his or her successor is elected and qualified. There are no family relationships among the executive officers nor is there any agreement or understanding between any officer and any other person pursuant to which the officer was elected.

NAME	AGE	POSITION
Jason A. Kulas	45	President and Chief Executive Officer
Ismail Dawood	43	Chief Financial Officer
Richard Morrin	46	Chief Operating Officer
Christopher Pfirman	56	Senior Chief Legal Officer and General Counsel
Kalyan Seshan	48	Chief Risk Officer
Donald Goin	45	Chief Information Officer
Christopher Willard	54	Chief Compliance Officer
Lisa VanRoekel	46	Chief Human Resources Officer
Jennifer Davis	36	Deputy Chief Financial Officer

***Jason A. Kulas****President and Chief Executive Officer*

Mr. Kulas's biography is included under *Information Concerning the Nominees* above.

***Ismail Dawood****Chief Financial Officer*

Mr. Dawood joined us as our Chief Financial Officer in December 2015. Prior to joining the Company, Mr. Dawood served as Executive Vice President and Chief Financial Officer of the Investment Services division of The Bank of New York Mellon Corporation (BNY Mellon) since April 2013, as Executive Vice President and Director of Investor Relations and Financial Planning and Analysis of BNY Mellon from June 2009 to March 2013 and as Senior Vice President and Global Head of Corporate Development and Strategy of BNY Mellon from November 2006 to May 2009. He also served in various senior roles at Wachovia Corporation, where he was employed from 1994 to 2006, including Managing Director of Structured Treasury Activities and Managing Director of Corporate Development. Mr. Dawood holds a master's degree in business administration from the Wharton School of Business and a bachelor's degree in finance from St. John's University, Jamaica (Queens), New York. Mr. Dawood is a Chartered Financial Analyst (CFA) charterholder, and is a member of the boards of directors of Promontory Interfinancial Network and Leadership Pittsburgh.

***Richard Morrin****Chief Operating Officer*

Mr. Morrin has served as our Chief Operating Officer since February 2016, having joined our Company as our Executive

Vice President, New Business in August 2011. Prior to joining us, Mr. Morrin held a variety of management positions in 21 years of combined service at Ally Financial and General Motors Acceptance Corp. Most recently, he managed the commercial lending operations for Ally automotive dealers in the United States and Canada. Mr. Morrin holds a bachelor's degree in economics from the University of Pennsylvania and a master's degree in business administration from the University of Virginia.

***Christopher Pfirman***

*Senior Chief Legal Officer and General Counsel*

Mr. Pfirman has served as our Senior Chief Legal Officer and General Counsel since September 2015. He was previously employed by SHUSA, and most recently, served as Senior Executive Vice President and General Counsel of SHUSA and of SBNA from January 2012 to September 2015. He served as SBNA's Senior Vice President and Deputy General Counsel from 2000 to January 2012, and he was an attorney in the law firm of Edwards & Angell, LLP (now Locke Lord LLP) from 1996 to 2000. Mr. Pfirman serves as a member of the Association Board of The Clearing House. He received a B.A. from Fairfield University in Connecticut and a Juris Doctorate from the College of William and Mary in Virginia. He is a member of the Massachusetts and Connecticut bars.

***Kalyan Seshan***

*Chief Risk Officer*

Mr. Seshan has served as our Chief Risk Officer since September 2015. Prior to joining us, he served as Senior Vice President and Chief Risk Officer of Nationstar Mortgage from November 2013 to September 2015. Mr. Seshan was previously employed by

## **Table of Contents**

### **Executive Officers**

JPMorgan Chase as Senior Vice President and Head of Default Strategies of Mortgage Capital Markets from October 2010 to November 2013; Chief Risk Officer of Mortgage Default from April 2009 to October 2010; and Chief Risk Officer of Chase Auto and Education Finance from October 2007 to April 2009. He received a master's degree in business administration from the Indian Institute of Management and a bachelor's degree in mathematics from Loyola College, Madras University.

#### ***Donald Goin***

##### *Chief Information Officer*

Mr. Goin re-joined us as our Chief Information Officer in August 2015 having served as our Chief Information Officer from January 2003 to September 2011. He was employed by Capital One Financial Services as Digital Operations Officer from March 2014 to August 2015 and by Capital One Auto Finance as Managing Vice President, Customer Operations from March 2013 to March 2014 and as Chief Information Officer from September 2011 to March 2013. He currently serves on the St. Jude Charities Technology Advisory Council. Mr. Goin pursued graduate studies at Duke University and received a bachelor's degree in computer science from the University of Texas in Dallas. Mr. Goin served honorably in the United States Marine Corps.

#### ***Christopher Willard***

##### *Chief Compliance Officer*

Mr. Willard has served as our Chief Compliance Officer since February 2016. Prior to joining us, he was Chief Compliance Officer of United Services Automobile Association (USAA) Banks since September 2013. Previously, he was employed by Citigroup from 2004 to September 2013, most recently as Deputy Chief Compliance Officer. From 2002 to 2004, he served as Director of the Policy and Procedures Office of the

Federal Deposit Insurance Corporation from 1999 to 2002. Mr. Willard received a Juris Doctorate from Catholic University, a master's in business administration from George Washington University and a bachelor's degree in economics from Colgate University. He is a Certified Regulatory Compliance Manager (CRCM) and a member of the Virginia bar.

#### ***Lisa VanRoekel***

##### *Chief Human Resources Officer*

Ms. VanRoekel has served as our Chief Human Resources Officer since March 2016, having previously served as our Head of Human Resources from 2006 to 2009. Previously, she served as the Interim Chief Human Resources Officer of SHUSA from December 2015 to February 2016; as the Chief Human Resources Officer of SBNA from December 2013 to February 2016; and as the Deputy Managing Director, Human Resources of SBNA from July 2012 to December 2013. Ms. VanRoekel holds bachelor's and master's degrees in journalism from East Texas State University. Ms. VanRoekel also holds the Senior Professional in Human Resources (SPHR) accreditation.



***Jennifer Davis***

*Deputy Chief Financial Officer*

Ms. Davis has served as our Deputy Chief Financial Officer since January 2014, having previously served as Chief Accounting Officer since April 2013 and Controller from July 2012 to April 2013. She has also served as our interim Chief Financial Officer from July 2015 to December 2015. Prior to joining the Company, she served as controller for Residential Credit Solutions, Inc., a residential mortgage servicer, from December 2010 to July 2012, and previously was a senior manager for KPMG LLP. Ms. Davis holds bachelor's and master's degrees in accounting from the University of Missouri, and is a Certified Public Accountant and CFA charterholder.

**Table of Contents**

**Audit**

**Proposal 2:**

**Ratification of Selection of  
Independent Registered Public Accounting Firm**

**WHAT YOU ARE VOTING ON?:** We are asking our stockholders

to ratify the selection of PricewaterhouseCoopers as  
our independent registered public accountant for 2016.

Our Audit Committee is responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm retained to perform the audit of our financial statements and our internal control over financial reporting. The Audit Committee has appointed the accounting firm of PricewaterhouseCoopers ( PwC ) to serve as the Company 's independent registered public accounting firm for the fiscal year ending December 31, 2016. See *Recent Change in Auditor* below.

**Recent Change in Auditor**

During 2015, the Audit Committee decided to open the annual independent auditor selection process to several independent registered public accounting firms, including our current auditor, Deloitte & Touche LLP ( Deloitte ) and PwC. The Audit Committee, with the assistance of management, performed an evaluation of firms to determine the Company 's independent auditor for the 2016 fiscal year. As a result of this process, on December 9, 2015, the Audit Committee formally approved the engagement of PwC as the Company 's independent auditor for the fiscal year ending December 31, 2016. On December 9, 2015, the Company informed Deloitte that it was being dismissed as the Company 's independent auditor.

Deloitte served as our independent auditor from 2007 to March 2016. The reports of Deloitte on the Company 's consolidated financial statements for the two most recent fiscal years ended December 31, 2014 and December 31, 2015 did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. During the Company 's two most recent fiscal years ended December 31, 2014 and December 31, 2015, and during the subsequent interim period preceding Deloitte 's dismissal, there were: (i) no disagreements with Deloitte on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which

disagreements, if not resolved to the satisfaction of Deloitte would have caused Deloitte to make reference to the subject matter of the disagreements in connection with its reports, and (ii) no reportable events as that term is defined in Item 304(a)(1)(v) of Regulation S-K, except for a material weakness in the Company 's internal control over financial reporting as of June 30, 2015 in connection with the preparation and review of the Company 's Condensed Consolidated Statement of Cash Flows ( SCF ) Report and as of December 31, 2015 material weaknesses in connection with the preparation of our SCF as well as in connection with our credit loss allowance methodology, our

identification of loans modified as troubled debt restructurings, our credit loss allowance models and our control environment. Information regarding the material weaknesses is described in Management's Report on Internal Controls over Financial Reporting included in Item 9A of our Annual Report on Form 10-K. Deloitte discussed these control deficiencies with the Audit Committee, and the Audit Committee has authorized Deloitte to discuss such control deficiencies with PwC and to respond fully to any inquiries of PwC regarding such control deficiencies.

During the Company's two most recent fiscal years ended December 31, 2014 and December 31, 2015, neither the Company, nor anyone on its behalf, consulted PwC with respect to: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and neither a written report was provided to the Company nor oral advice was provided to the Company that PwC concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing, or financial reporting issue or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

SC 2016 Proxy Statement

21

**Table of Contents**

**Audit**

On December 15, 2015, we filed with the SEC a Current Report on Form 8-K disclosing the appointment of PwC as our new independent auditor and the related dismissal of Deloitte from that role.

**Stockholder Ratification of Appointment of Independent Registered Public Accounting Firm**

A proposal to ratify the appointment of PwC to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016 will be presented at the Annual Meeting. Representatives of PwC are expected to be present at the meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders.

Stockholder ratification of the selection of PwC as our independent public accountants is not required by our Bylaws or other applicable legal requirement. However, the Board of Directors is submitting the selection of PwC to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee at its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such a change would be in our best interests and our stockholders' best interests.

The affirmative vote of the holders of a majority of the shares of Common Stock entitled to vote on this matter at the Annual Meeting, whether in person or represented by proxy, will approve the proposal to ratify PwC as our independent auditors for the fiscal year ending December 31, 2016.

**Table of Contents****Audit****Audit Fees and Related Matters**

## Audit and Non-Audit Fees

	2015	2014
<b>Audit Fees<sup>(1)</sup></b>	\$ 3,665,295	\$ 3,004,295
<b>Audit-Related Fees<sup>(2)</sup></b>	\$ 1,255,532	\$ 1,820,261
<b>Tax Fees<sup>(3)</sup></b>		
<b>All Other Fees</b>		

The following table presents fees for professional audit services rendered and expenses of Deloitte for the audits of our annual financial statements and the effectiveness of internal controls for the years ended December 31, 2015 and 2014, and fees billed for other services rendered and expenses of Deloitte during 2015 and 2014.

- (1) Represents fees billed for the audit of our financial statements included in our Annual Report on Form 10-K, review of financial statements included in our Quarterly Reports on Form 10-Q, and the audit of our internal controls over financial reporting.
- (2) Represents fees billed for assurance and consultative related services. Such services during 2015 and 2014 principally included attestation reports required under services agreements, certain accounting consultations, consent to use its report in connection with various documents filed with the SEC, and comfort letters issued to underwriters for securities offerings and the Company's initial public offering and certain other agreed upon procedures.
- (3) Represents fees billed for tax compliance, including review of tax returns, tax advice and tax planning.
- Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor**

The Audit Committee has implemented procedures to ensure that all audit and permitted non-audit services provided to us are pre-approved by the Audit Committee. Specifically, the Audit Committee pre-approves the use of an independent accountant for specific audit and non-audit services, within approved monetary limits. If a proposed

service has not been pre-approved, then it must be specifically pre-approved by the Audit Committee before it may be provided by our independent accountant. Any pre-approved services exceeding the pre-approved monetary limits require specific approval by the Audit Committee. The Audit Committee may delegate pre-approval authority to one or more of its members when expedition of services is necessary.

All of the audit-related, tax and all other services provided by Deloitte to us in 2015 were approved by the Audit Committee by means of specific pre-approvals or pursuant to procedures established by the Audit Committee. The Audit Committee has determined that all non-audit services provided by Deloitte in 2015 were compatible with maintaining its independence in the conduct of its auditing functions.

SC 2016 Proxy Statement

23

**Table of Contents**

**Audit**

**Report of the Audit Committee**

This report reviews the actions taken by our Audit Committee with regard to the Company's financial reporting process during 2015 and particularly with regard to SC's audited consolidated financial statements as of December 31, 2015 and 2014 and for the three years ended December 31, 2015.

The Audit Committee is comprised of four non-management directors. The Board has determined that each member of our Audit Committee has no material relationship with the Company under our Board's director independence standards and that each is independent under the listing standards of the NYSE, and the SEC's standards relating to the independence of audit committees. The Board has also determined that each member is financially literate and is an audit committee financial expert as defined by the SEC.

The Audit Committee operates under a written charter adopted by the Board that is published on the investor relations section of SC's web site at <http://investors.santanderconsumerusa.com>. We annually review our written charter and our practices. We have determined that our charter and practices are consistent with the listing standards of the New York Stock Exchange and the provisions of the Sarbanes-Oxley Act of 2002.

The purpose of the Audit Committee is to assist Board oversight of (i) our independent registered public accounting firm's qualifications and independence, (ii) the performance of the internal audit function and that of the independent registered public accounting firm, (iii) management's responsibilities to assure that there is in place an effective system of controls reasonably designed to safeguard the assets and income of the Company, (iv) the integrity of the Company's financial statements, and (v) the compliance with the Company's ethical standards, policies, plans and procedures, and with laws and regulations.

We discussed with Deloitte the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 (Communications with Audit Committees), including Deloitte's overall audit scope and audit approach as set forth in the terms of their engagement letter; Deloitte's overall audit strategy for significant audit risks identified by them; and the nature and extent of the specialized skills necessary to perform the planned audit. In addition, we monitor the audit, audit-related and tax services provided by Deloitte. Details of the fees paid to Deloitte can be found in this proxy statement under *Audit Fees and Related Matters*.

Deloitte provided us the written disclosures and the letter required by PCAOB's Ethics and Independence Rule 3526 (Communications with Audit Committees Concerning Independence), and we discussed and confirmed with Deloitte their independence. We have considered whether Deloitte's provision of any non-audit services to the Company is compatible with maintaining auditor independence. We have concluded that the provision of any non-audit services by Deloitte was

compatible with Deloitte's independence in the conduct of its auditing functions.

Management is responsible for the Company's internal control over financial reporting, the financial reporting process and the Company's Consolidated Financial Statements. The independent auditor is responsible for performing an independent audit of the Company's Consolidated Financial Statements and of the effectiveness of internal control over financial reporting in accordance with auditing standards promulgated by the PCAOB. The Company's Internal Audit Department, under the Chief Internal Auditor, is responsible to the Audit Committee for preparing an annual audit plan and conducting internal audits intended to evaluate the Company's internal control structure and compliance with applicable regulatory requirements. The members of the Audit Committee are not professionally engaged in the practice of accounting or auditing; as noted above, the Audit Committee's responsibility is to monitor and oversee these processes.

We regularly meet and hold discussions with the Company's management and internal auditors and with the independent auditor, including sessions with the internal auditors and with the independent auditor without members of management present. Management represented to us that the Company's Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States of America ( U.S. GAAP ). We reviewed and discussed the Company's Consolidated Financial Statements with management and Deloitte.

We also discussed with Deloitte the quality of the Company's accounting principles, the reasonableness of critical accounting estimates and judgments, and the disclosures in the Company's Consolidated Financial Statements, including disclosures relating to significant accounting policies. Based on our discussions with the Company's management, internal auditors and Deloitte, as well as its review of the representations given to us and Deloitte's reports to us, we recommended to the Board of Directors, and the Board of Directors approved, inclusion of the audited Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC.

*Submitted by the Audit Committee*

*of the Board of Directors:*

William Rainer, Chair

Stephen A. Ferriss

Robert McCarthy

Wolfgang Schoellkopf

*This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under The Securities Act of 1933 or Exchange Act, and shall not otherwise be deemed filed under these Acts.*



**Table of Contents**

**Compensation**

**Proposal 3:**

**Approval of the Amendment and Restatement of the**

**Santander Consumer USA Holdings Inc.**

**Omnibus Incentive Plan**

**WHAT YOU ARE VOTING ON?:** We are asking our stockholders

to approve this proposal to, among other things, implement best compensation governance practices and enable us to design compensation awards to be performance-based compensation as defined by Section 162(n). We are not proposing that any new shares be added to the Omnibus Incentive Plan at this time.

**Introduction**

We currently maintain the Santander Consumer USA Holdings Inc. Omnibus Incentive Plan (the Omnibus Plan), which the Board of Directors originally adopted on December 28, 2013 and our stockholders originally approved on December 28, 2013, in each case prior to our initial public offering.

The purpose of the Omnibus Plan is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and consultants and to provide a means whereby officers, employees, directors and/or consultants can acquire and maintain ownership of our common stock or be paid incentive compensation measured by reference to the value of our common stock or otherwise, thereby strengthening their commitment to our welfare and that of our affiliates and promoting an identity of interest between our stockholders and recipients of awards under the Omnibus Plan.

The Compensation Committee and the Board have reviewed the Omnibus Plan to determine whether it remains a flexible and effective source of incentive compensation in terms of the number of shares of our common stock available for awards and in terms of its design, as well as whether it generally conforms with best practices in today's business environment.

Based on their review, the Compensation Committee approved and recommended to the Board, and the Board approved, an amendment and restatement of the Omnibus Plan, effective June 16, 2016 (the Restated Plan), subject to approval by our

stockholders at the 2016 Annual Meeting. We are asking stockholders to approve the Restated Plan, which would, among other things:

revise the plan's change in control provision to provide for double trigger vesting for employee participants instead of single trigger vesting;

add annual individual award limits under the plan for non-employee directors;

extend the expiration date of the plan from December 28, 2023 to June 16, 2026;

add a clawback provision to the plan; and

allow cash awards to be granted under the plan and add annual individual cash award limits under the plan. We are also asking stockholders to approve individual award limits and business criteria that can be used in establishing performance goals for performance awards granted under the Restated Plan, in each case as described in this Proposal 3, for purposes of Section 162(m). Stockholder approval of the Restated Plan will enable the Company to design both cash-based and equity-based awards intended to be fully deductible as performance-based compensation under Section 162(m).

If the Restated Plan is not approved by our stockholders, the current Omnibus Plan will remain unchanged and in effect according to its current terms and we may continue to grant awards under the plan until no more shares are available for issuance.

## Table of Contents

### Compensation

#### Restated Plan Design Highlights

The proposed Restated Plan has been designed to include a number of provisions that promote best practices by reinforcing the alignment between incentive compensation arrangements for eligible plan participants and our stockholders' interests. These provisions include, but are not limited to, the following:

*Clawback.* Plan awards are subject to clawback under any Company clawback policy and all applicable laws requiring the clawback of compensation.

*Forfeiture upon Cause Termination.* All plan awards held by a participant will be forfeited upon the participant's termination for cause.

*Forfeiture upon Violation of Restrictive Covenants.* All plan awards held by a participant will be forfeited upon the participant's violation of restrictive covenants.

*No Discounted Stock Options or Stock Appreciation Rights (SARs).* Stock options and SARs generally may not be granted with exercise prices lower than the fair market value of the underlying shares on the grant date.

*No Repricing without Stockholder Approval.* The plan specifically prohibits the repricing of options or SARs without stockholder approval.

*No Transferability.* Awards generally may not be transferred, except by will or the laws of descent and distribution, unless approved by the Compensation Committee.

*No Evergreen Provision.* The plan does not contain an evergreen feature pursuant to which the shares authorized for issuance will be automatically replenished.

*No Automatic Grants.* The plan does not provide for automatic grants to any participant.

*Double-Trigger Acceleration.* The Company does not accelerate vesting of awards held by employee participants that are assumed or replaced by the resulting entity after a change in control unless the participant's employment is also involuntarily terminated within two years after the change in control.

*No Tax Gross-Ups.* The plan does not provide for any tax gross-ups.

*Dividends.* The plan does not provide for dividends or dividend equivalents on stock options, SARs or unearned performance shares.

*Multiple Award Types.* The plan permits the issuance of nonqualified stock options, SARs, restricted stock units, restricted stock awards and other types of equity grants, subject to the share limits of the plan, as well as cash awards. This breadth of award types will enable the Compensation Committee to tailor awards in light of the accounting, tax and other standards applicable at the time of grant. Historically, these standards have changed over time.

*Tax-Deductible Awards.* The plan contains provisions that are required for future awards to certain covered employees (including cash awards) to be eligible to be deductible under Section 162(m) as performance-based compensation.

*Director Limits.* The plan contains annual limits on the amount of awards that may be granted to non-employee directors.

## Summary

The principal features of the Restated Plan are summarized below. The following summary of the Restated Plan does not purport to be a complete description of all of the provisions of the plan. It is qualified in its entirety by reference to the complete text of the Restated Plan, which is attached to this Proxy Statement as [Appendix A](#).

## Administration

The Restated Plan will be administered by the Board or such other committee of the Board as the Board may from time to time designate, which we refer to as the Committee. Among other things, the Committee has the authority to select individuals to whom awards may be granted, to determine the type of award as well as the number of shares of common stock to be covered by each award, and to determine the terms and conditions of any such awards. Subject to applicable law, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members or persons selected by it.

## Eligibility

Current and prospective directors, employees (including executive officers) and/or consultants to us and any of our subsidiaries and affiliates are eligible to participate in the Restated Plan. As of April 26, 2016, approximately 6,800 employees and consultants (including 9 executive officers) and 7 non-employee directors were eligible to receive grants under the Omnibus Plan.

## Shares Subject to the Restated Plan

The aggregate number of shares of our Common Stock available for issuance under the Restated Plan is 5,192,641 shares. The maximum number of shares that may be granted pursuant to options intended to be incentive stock options is 5,192,641 shares. No new shares are being added to the Restated Plan.

The shares of Common Stock subject to grant under the Restated Plan are to be made available from authorized but unissued shares, from treasury shares, from shares purchased on the open market or by private purchase, or a

combination of any of the foregoing. To the extent that any award is forfeited, terminates, expires or lapses without being exercised, or is settled for cash, the shares of Common Stock subject to such awards not delivered as a result thereof will again be available for awards under the Restated Plan. If the exercise price of any

**Table of Contents**

**Compensation**

option and/or the tax withholding obligations relating to any award are satisfied by delivering shares of Common Stock (by either actual delivery or by attestation), only the number of shares of Common Stock issued net of the shares of Common Stock delivered or attested will be deemed delivered for purposes of the limits in the Restated Plan. To the extent any shares of Common Stock subject to an award are withheld to satisfy the exercise price (in the case of a stock option) and/or the tax withholding obligations relating to such award, such shares of Common Stock will not generally be deemed to have been delivered for purposes of the limits set forth in the Restated Plan. Only the net number of shares issued upon exercise of stock appreciation rights will be counted against the shares available for awards under the Restated Plan. Awards that are granted in assumption of or in substitution for any award of a company or business acquired by us or with which we combine will not be counted against the shares available for awards under the Restated Plan.

The Restated Plan provides that in the event of certain extraordinary corporate transactions or events affecting us, the Committee will make such substitutions or adjustments as it deems appropriate and equitable to (1) the aggregate number and kind of shares or other securities reserved for issuance and delivery under the Restated Plan, (2) the various maximum limitations set forth in the Restated Plan, (3) the number and kind of shares or other securities subject to outstanding awards and (4) the exercise price of outstanding options and stock appreciation rights. In the case of a corporate transaction such as a merger or consolidation, such adjustments may include the cancellation of outstanding awards in exchange for cash or other property or the substitution of other property for the shares subject to outstanding awards.

**Individual Award Limits**

For purposes of this section, the 162(m) Effective Date means the first date on which awards under the Restated Plan do not qualify for an exemption from the deduction limitations of Section 162(m) on account of an exemption, or a transition or grandfather rule. Section 162(m) is described further in this Proposal 3 in the section below entitled Internal Revenue Code Section 162(m).

On and after the 162(m) Effective Date, no person may be granted options or stock appreciation rights under the Restated Plan during any calendar year with respect to more than 1,000,000 shares.

On and after the 162(m) Effective Date, no person may be granted performance awards under the Restated Plan (other than performance awards that are cash awards) that are intended to qualify as performance-based compensation under Section 162(m) during any calendar year with respect to more than 1,000,000 shares, including any related dividends or dividend equivalents with respect to such shares.

On and after the 162(m) Effective Date, no person may be granted performance awards that are cash awards that are intended to qualify as performance-based compensation under Section 162(m) during any calendar year in excess of \$10,000,000.

The maximum number of shares subject to awards under the Restated Plan granted during any calendar year to any non-employee member of the Board, taken together with any cash fees paid during the fiscal year, may not exceed the following in total value (calculating the value of any such awards based on the grant date fair value of such awards for

financial reporting purposes): (1) \$1,500,000 for the Chair of the Board of Directors and (2) \$500,000 for each non-employee member of the Board other than the Chair.

## Awards

As indicated above, several types of awards can be made under the Restated Plan. A summary of these awards is set forth below.

### *Stock Options and Stock Appreciation Rights*

Stock options granted under the Restated Plan may either be incentive stock options, which are intended to qualify for favorable treatment to the recipient under U.S. federal tax law, or nonqualified stock options, which do not qualify for this favorable tax treatment. Stock appreciation rights granted under the Restated Plan may either be tandem SARs, which are granted in conjunction with a stock option, or free-standing SARs, which are not granted in tandem with a stock option.

Each grant of stock options or stock appreciation rights under the Restated Plan will be evidenced by an award agreement that specifies the exercise price, the duration of the award, the number of shares to which the award pertains and such additional limitations, terms and conditions as the Committee may determine, including, in the case of stock options, whether the options are intended to be incentive stock options or nonqualified stock options. The Restated Plan provides that the exercise price of stock options and stock appreciation rights will be determined by the Committee, but may not be less than 100% of the fair market value of the stock underlying the stock options or stock appreciation rights on the date of grant (except for substitute awards). As of March 1, 2016, the closing price of our Common Stock on the NYSE was \$10.24 per share. Award holders may pay the exercise price in cash or, if approved by the Committee, in Common Stock (valued at its fair market value on the date of exercise) or a combination thereof, or by cashless exercise through a broker or by withholding shares otherwise receivable on exercise. The term of stock options and stock appreciation rights will be determined by the Committee. The Committee will determine the vesting and exercise schedule of stock options and stock appreciation rights, and the extent to which they will be exercisable after the award holder's service with the Company terminates.

## **Table of Contents**

### **Compensation**

#### *Restricted Stock*

Restricted stock may be granted under the Restated Plan with such restrictions as the Committee may designate. The Committee may provide at the time of grant that the vesting of restricted stock will be contingent upon the achievement of applicable performance goals and/or continued service. Except for these restrictions and any others imposed under the Restated Plan or by the Committee, upon the grant of restricted stock under the Restated Plan, the recipient will have rights of a stockholder with respect to the restricted stock, including the right to vote the restricted stock; however, whether and to what extent the recipient will be entitled to receive cash or stock dividends paid, either currently or on a deferred basis, will be set forth in the award agreement. Dividends payable with respect to restricted stock awards that are performance rewards will be payable only to the extent that the performance goals underlying the performance awards are satisfied.

#### *Restricted Stock Units*

The Committee may grant restricted stock units payable in cash or shares of common stock, conditioned upon continued service and/or the attainment of performance goals (as described below) determined by the Committee. We are not required to set aside a fund for the payment of any restricted stock units and the award agreement for restricted stock units will specify whether, to what extent and on what terms and conditions the applicable participant will be entitled to receive dividend equivalents with respect to the restricted stock units. Dividend or dividend equivalents payable with respect to restricted stock units that are performance awards will be payable only to the extent that the performance goals are satisfied.

#### *Stock-Bonus Awards*

The Committee may grant unrestricted shares of our Common Stock, or other awards denominated in our Common Stock, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee determines as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

#### *Cash Awards*

The Committee may grant cash awards under the Restated Plan, alone or in tandem with other awards, in such amounts and subject to such terms and conditions as the Committee determines as, or in payment of, a bonus, or to provide incentives or recognize special achievements or contributions.

#### *Performance Awards*

Under the Restated Plan, the Committee may determine that the grant, vesting or settlement of an award granted under the Restated Plan may be subject to the attainment of one or more performance goals.

The Committee has the authority to establish any performance objectives to be achieved during the applicable performance period when granting performance awards. However, if an award under the Restated Plan is intended to



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qualify as performance-based compensation under Section 162(m), the performance goals will be established with reference to one or more of the following (or any derivation thereof), either on a Company-wide basis, or, as relevant in respect of one or more affiliates, subsidiaries, divisions, departments or operations of the Company:

earnings (gross, net, pre-tax, post-tax or per share);

net profit after tax;

EBITDA;

gross profit;

cash generation;

unit volume;

market share;

sales;

asset quality;

earnings per share;

operating income;

revenues;

return on assets;

return on operating assets;

return on equity;

profits;

total stockholder return (measured in terms of stock price appreciation and/or dividend growth);

cost saving levels;

marketing spending efficiency;

core non-interest income;

change in working capital;

return on capital;

stock price;

customer satisfaction;

credit quality; or

implementation, completion or attainment of measurable objectives with respect to:

recruitment or retention of personnel or employee satisfaction,

compliance initiatives,

regulatory progress, or

risk management.

**Table of Contents**

**Compensation**

Such performance goals also may be based upon the attaining of specified levels of Company, subsidiary, affiliate, divisional, departmental or operational performance under one or more of the measures described above relative to the performance of other entities, divisions or subsidiaries (including an index covering multiple entities) or based on growth over a specified period.

Stockholders are being asked to approve the foregoing business criteria on which performance goals may be based for purposes of Section 162(m) in this Proposal 3.

**Termination of Employment**

The impact of a termination of employment on an outstanding award granted under the Restated Plan, if any, will be set forth in the applicable award agreement. Unless provided to the contrary in an award agreement, upon a termination of employment for cause, any outstanding awards held by the participant under the Restated Plan, whether vested or unvested, will terminate immediately, the award will be forfeited and the participant will have no further rights thereunder.

**Treatment of Outstanding Equity Awards Following a Change in Control**

Under the Restated Plan, in the event of a change in control (as defined in the Restated Plan and described below), subject to the terms and conditions of the applicable award agreements, awards granted to non-employee directors will fully vest on an accelerated basis, and any performance goals will be deemed to be satisfied at target. For awards granted to all other service providers, vesting of awards will depend on whether the awards are assumed, converted or replaced by the resulting entity.

For awards that are not assumed, converted or replaced, the awards will vest upon the change in control. For performance awards, the amount vesting will be based on the greater of (1) achievement of all performance goals at the target level or (2) the actual level of achievement of performance goals as of the change in control, and will be prorated based on the portion of the performance period that had been completed through the date of the change in control.

For awards that are assumed, converted or replaced by the resulting entity, no automatic vesting will occur upon the change in control. Instead, the awards, as adjusted in connection with the transaction, will continue to vest in accordance with their terms and conditions. In addition, the awards will vest if the award recipient has a termination of employment within two years after the change in control by the Company other than for cause or by the award recipient for good reason (each as defined in the applicable award agreement). For performance awards, the amount vesting upon involuntary termination within two years of a change in control will be based on the greater of (1) achievement of all performance goals at the target level or (2) the actual level of achievement of performance goals as of the change in control.

A change in control is generally deemed to occur under the Restated Plan upon:

- (1) the acquisition by any individual, entity or group of beneficial ownership of 30% or more of either (a) the outstanding shares of the Company's Common Stock or (b) the combined voting power of our then outstanding voting securities, with each of clauses (a) and (b) subject to certain customary exceptions;
- (2) a majority of the directors who constituted the Board at the time the Restated Plan was adopted are replaced by directors whose appointment or election is not endorsed by at least two-thirds of the incumbent directors then on the board of directors;
- (3) approval by our stockholders of the Company's complete dissolution or liquidation; or
- (4) the consummation of a merger of the Company, the sale or disposition by the Company of all or substantially all of its assets, or any other business combination of the Company with any other corporation, other than any merger or business combination following which (a) the individuals and entities that were the beneficial owners of the outstanding Common Stock and the voting securities immediately prior to such business combination beneficially own more than 50% of the then-outstanding shares of Common Stock and combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such business combination in substantially the same proportions as immediately prior to such business combination, (b) no person beneficially owns 30% or more of the then-outstanding shares of Common Stock of the entity resulting from such business combination or the combined voting power of the then-outstanding voting securities of such entity and (c) at least a majority of the members of the board of directors of the parent company (or, if there is no parent company, the surviving company) following the consummation of the transaction were members of the board of directors at the time the execution of the initial agreement providing for the transaction was approved.

#### Governing Law

The Restated Plan will be governed by the laws of the State of Delaware. For purposes of resolving any dispute that arises directly or indirectly in connection with the Restated Plan, each participant, by virtue of receiving an award, will be deemed to have submitted to and consented to the exclusive jurisdiction of the State of Texas and to have agreed that any related litigation will be conducted solely in the courts of Dallas County, Texas or the federal courts for the United States for the Northern District of Texas.

## **Table of Contents**

### **Compensation**

#### Data Protection

A participant's acceptance of an award under the Restated Plan will be deemed to constitute the participant's acknowledgement of and consent to the collection and processing of personal data relating to the participant so that the Company can fulfill its obligations and exercise its rights and generally administer and manage the Restated Plan. This data includes data about participation in the Restated Plan and shares offered or received, purchased or sold under the plan and other appropriate financial and other data about the participant and the participant's participation in the plan.

#### Clawback

All awards, amounts or benefits received or outstanding under the Restated Plan will be subject to clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance with the terms of any Company clawback or similar policy or any applicable law related to such actions, as may be in effect from time to time. A participant's acceptance of an award under the Restated Plan will be deemed to constitute the participant's acknowledgement of and consent to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the participant, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation, and the participant's agreement that the Company may take such actions as may be necessary to effectuate any such policy or applicable law, without further consideration or action.

#### Forfeiture

If a participant under the Restated Plan breaches a non-competition, non-solicitation, non-disclosure, non-disparagement or other restrictive covenant set forth in an award agreement or any other agreement between the participant and the Company or an affiliate, the participant will forfeit or pay to the Company:

- (1) any and all outstanding awards granted to the participant under the plan, including awards that have become vested or exercisable;
- (2) any shares held by the participant in connection with the plan that were acquired by the participant after the participant's termination of employment and within the 2-month period immediately before the participant's termination of employment;
- (3) the profit realized by the participant from the exercise of any stock options or SARs that the participant exercised after the participant's termination of employment and within the 2-month period immediately before the participant's termination of employment; and
- (4)

the profit realized by the participant from the sale, or other disposition for consideration, of any shares received by the participant in connection with the plan after the participant's termination of employment and within the 12-month period immediately before the participant's termination of employment and where such sale or disposition occurs in such similar time period.

#### Amendment and Termination

The Restated Plan may be amended, altered, suspended, discontinued or terminated by the Committee, but no amendment, alteration, suspension, discontinuation or termination may be made if it would materially impair the rights of a participant (or his or her beneficiary) without the participant's (or beneficiary's) consent, except for any such amendment required to comply with law. The Restated Plan may not be amended, without stockholder approval to the extent such approval is required to comply with applicable law or the listing standards of the applicable exchange.

#### Federal Income Tax Consequences Relating to Awards Granted under the Restated Plan

The following is a brief summary of the U.S. federal income tax consequences of the Restated Plan generally applicable to the Company and to participants in the plan who are subject to U.S. federal taxes. The summary is based on the Code, applicable Treasury Regulations and administrative and judicial interpretations thereof, each as in effect on the date of this Proxy Statement, and is, therefore, subject to future changes in the law, possibly with retroactive effect. The summary is general in nature and does not purport to be legal or tax advice. Furthermore, the summary does not address issues relating to any U.S. employment or gift or estate tax consequences or the consequences of any state, local or foreign tax laws.

#### *Incentive Stock Options*

In general, a participant should realize no taxable income upon the grant or exercise of an incentive stock option (ISO). However, the exercise of an ISO may result in an alternative minimum tax liability to the participant. With certain exceptions, a disposition of shares purchased under an ISO within two years from the date of grant or within one year after exercise produces ordinary income to the participant (and a deduction for us) equal to the value of the shares at the time of exercise less the exercise price. Any additional gain recognized in the disposition is treated as a capital gain for which we are not entitled to a deduction. If the participant does not dispose of the shares until after the expiration of these one- and two-year holding periods, any gain or loss recognized upon a subsequent sale is treated as a long-term capital gain or loss for which we are not entitled to a deduction.

**Table of Contents**

**Compensation**

*Nonqualified Options*

In general, in the case of a nonqualified stock option, the participant should not have taxable income at the time of grant but realizes income in connection with exercise of the option in an amount equal to the excess (at the time of exercise) of the fair market value of the shares acquired upon exercise over the exercise price. A corresponding deduction is available to us. Any gain or loss recognized upon a subsequent sale or exchange of the shares is treated as capital gain or loss for which we are not entitled to a deduction.

*Restricted Stock*

Unless a participant makes an election to accelerate recognition of the income to the date of grant as described below, the participant should not recognize income, and the Company will not be allowed a tax deduction, at the time a restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock as of that date, less any amount paid for the stock, and the Company will be allowed a corresponding tax deduction at that time. If the participant files an election under Section 83(b) of the Code within 30 days after the date of grant of the restricted stock, the participant will recognize ordinary income as of the date of grant equal to the fair market value of the common stock as of that date, less any amount the participant paid for the common stock, and we will be allowed a corresponding tax deduction at that time. Any future appreciation in the Common Stock will be taxable to the participant at capital gains rates. However, if the restricted stock award is later forfeited, the participant will not be able to recover the tax previously paid pursuant to the participant's Section 83(b) election.

*Restricted Stock Units*

A participant generally should not recognize income, and the Company will not be allowed a tax deduction, at the time a restricted stock unit is granted. When the restricted stock units vest and are settled for cash or stock, the participant generally will be required to recognize as income an amount equal to the fair market value of the shares on the date of vesting. Any gain or loss recognized upon a subsequent sale or exchange of the stock (if settled in stock) is treated as capital gain or loss for which we are not entitled to a deduction.

*Performance Awards, Stock Bonus Awards and Cash Awards*

A participant generally should not recognize income, and the Company will not be allowed a tax deduction, upon the grant of unvested performance awards, stock bonus awards or cash awards. Subsequently, when the vesting conditions are satisfied and settlement is made, any cash received and the fair market value of any property received will constitute ordinary income to the participant. The Company will be entitled to a corresponding deduction in the same amount at such time.

*Internal Revenue Code Section 162(m)*

Under Code Section 162(m), we may be prohibited from deducting compensation paid to covered employees in excess of \$1 million per person in any year. Covered employees are defined as our Chief Executive Officer and our three

other most highly compensated named executive officers (excluding our Chief Financial Officer). Compensation that qualifies as performance-based is not subject to the \$1 million limit. In general, one of the requirements that must be satisfied to qualify as performance-based compensation is that the material terms of the performance goals under which the compensation may be paid must be disclosed to and approved by a majority vote of our stockholders, generally at least once every five years. For purposes of Section 162(m), the material terms of the performance goals generally include (1) the individuals eligible to receive compensation upon achievement of performance goals, (2) a description of the business criteria on which the performance goals may be based and (3) the maximum amount that can be paid to an individual upon attainment of the performance goals. By approving the Restated Plan, our stockholders also will be approving the material terms of the performance goals under the Restated Plan. The material terms of the performance goals for the Restated Plan are disclosed above in this Proposal 3 under Performance Awards. Although stockholder approval of the Restated Plan will provide flexibility to grant awards under the Restated Plan that qualify as performance-based compensation under Section 162(m), we retain the ability to grant awards under the Restated Plan that do not qualify as performance-based compensation under Section 162(m).

In addition to the performance-based compensation exception noted above, for companies such as us that became publicly held via an initial public offering, compensation paid according to a plan or agreement that existed during the period that the company was not publicly held is excluded from the \$1 million limit during a transition period. The Section 162(m) transition period generally lasts until the earliest of:

The expiration or material modification of the plan or agreement;

The issuance of all employer stock or other compensation that has been allocated under the plan; and

The occurrence of the first annual stockholder meeting at which directors are to be elected that occurs after the close of the third calendar year following the calendar year that the initial public offering occurs. Our initial public offering occurred in 2014, so our Section 162(m) transition period generally is scheduled to last until our 2018 annual stockholder meeting, as long as the applicable plans are not materially modified and and/or the share reserves under those plans are not exhausted before then.

Compensation received from stock options, stock appreciation rights or shares of restricted stock is covered by the



## **Table of Contents**

### **Compensation**

Section 162(m) transition period if the option, stock appreciation right or restricted stock is granted before the end of the transition period, regardless of when it is exercised or vests, as applicable. Restricted stock units granted during the transition period will be excluded from the \$1 million limit only if paid (i.e., shares are issued) before the transition period expires.

Note that the Section 162(m) transition period applies only to the extent that the prospectus accompanying the initial public offering disclosed information concerning the applicable plans or agreements that satisfied all applicable securities laws. Our Omnibus Plan was disclosed our initial public offering prospectus, so awards that are paid under the Omnibus Plan prior to our 2018 annual stockholder meeting should qualify for the Section 162(m) transition period. However, restricted stock units that are granted under the Omnibus Plan prior to our 2018 annual meeting, but that are not settled (i.e., shares delivered) prior to the meeting will not qualify for the Section 162(m) transition period and therefore will be subject to the \$1 million deduction limit in the year settled (unless they satisfy another exception to Section 162(m), such as the performance-based compensation exception).

### **Effective Date**

The Restated Plan will become effective on June 16, 2016, the date of our Annual Meeting, if approved by our stockholders, and will remain in effect until June 16, 2026, unless terminated earlier by the Committee. If the Restated Plan is not approved by our stockholders, the Company's existing compensatory plans, including the Omnibus Plan, will remain in effect in accordance with their terms and the Company may continue to make awards under such plans.

### **New Plan Benefits**

A new plan benefits table for the Restated Plan, and the benefits or amounts that would have been received by or allocated to participants for the last completed fiscal year under the Restated Plan if the Restated Plan was then in effect, each as described in the SEC proxy rules, are not provided because all awards made under the Restated Plan will be made at the Committee's discretion, subject to the terms and conditions of the Restated Plan. Therefore, the benefits and amounts that will be received or allocated under the Restated Plan are not determinable at this time.

**Table of Contents****Compensation**

## Equity Compensation Plan Information

We currently administer one equity plan: our Omnibus Plan. We previously administered the Company's 2011 Management Equity Plan, which expired on January 31, 2015 and under which no further awards will be made. The following table provides information as of December 31, 2015 regarding shares of our common stock that may be issued under these equity plans.

<b>PLAN CATEGORY</b>	<b>NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (a)</b>	<b>WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS<sup>(1)</sup> (b)</b>	<b>NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (a)) (c)</b>
<b>Equity compensation plans approved by security holders</b>	12,522,706	\$11.84	3,987,925
<b>Equity compensation plans not approved by security holders</b>			
<b>Total</b>	12,522,706	\$11.84	3,987,925

(1) Weighted-average exercise price is based solely on outstanding options.

SC 2016 Proxy Statement

33

**Table of Contents****Compensation****Compensation Discussion and Analysis**

<b><u>Executive Summary</u></b>	<b>34</b>
<b><u>2015 Compensation Actions</u></b>	<b>35</b>
<b><u>Process for Determining Executive Compensation</u></b>	<b>38</b>
<b><u>Principal Components of Executive Compensation</u></b>	<b>40</b>
Executive Summary	

This Compensation Discussion and Analysis ( CD&A ) describes the material elements of compensation awarded to, earned by, or paid to each of our executive officers who are included in the Summary Compensation Table, who we collectively refer to as our executive officers or NEOs and focuses on the information contained in the following tables and related footnotes primarily for the fiscal year ended December 31, 2015.

<b>NAMED EXECUTIVE OFFICERS</b>	
<b>NAME</b>	<b>TITLE</b>
<b>Jason A. Kulas</b>	President and Chief Executive Officer
<b>Ismail Dawood</b>	Chief Financial Officer
<b>Jason W. Grubb</b>	Former President and Chief Operating Officer, Originations
<b>Richard Morrin</b>	Chief Operating Officer
<b>Kalyan Seshan</b>	Chief Risk Officer
<b>Jennifer Davis</b>	Deputy Chief Financial Officer (and Interim Chief Financial Officer from July to December 2015)
<b>Thomas G. Dundon</b>	Former Chief Executive Officer

For the fiscal year ended  
December 31,  
2015, our named executive  
officers were:

In addition, this CD&A explains the overall objectives of our executive compensation program, how each element of our executive compensation program is designed to satisfy these objectives, and the policies underlying our 2015 compensation program.

We design our executive compensation program to be consistent with best practices, support our businesses in achieving their key goals and imperatives, and drive stockholder value. We believe that our pay programs, which are intended to comply with directives from our regulators, are governed by a set of sound principles and are designed to mitigate excessive risk-taking.

*Philosophy and Objectives of Our Executive Compensation Program.* The fundamental principles that we follow in designing and implementing compensation programs for the NEOs are to:

attract, motivate, and retain highly skilled executives with the business experience and acumen necessary for achieving our long-term business objectives;

link pay to performance and align, to an appropriate extent, the interests of management with those of our stockholders;

appropriately balance risk and financial results; and

support our core values, strategic mission, and vision.

We aim to provide a total compensation package that is comparable to that of other financial institutions with whom we compete for business and for talent, taking into account publicly available information provided by our independent compensation consultant. Within this framework, we consider each component of each NEO's compensation package independently; that is, we do not evaluate what percentage each component comprises of the total compensation package. In fiscal year 2015, we took into account the Company's performance, individual performance, level of responsibility, and track record within the organization in setting each named executive officer's compensation.

**Table of Contents**

**Compensation**

2015 Compensation Actions

*How We Compensated our CEO.*

	INDIVIDUAL PERFORMANCE GOALS	2015 COMPENSATION DECISIONS
<p><b>Jason A. Kulas</b></p> <p>Age: 45</p> <p>Title: President and Chief Executive Officer</p>	<p>(In addition to overall SC Bonus Pool objectives discussed below)</p> <p><b>Financial</b> Achieve annual budget and maximize liquidity</p> <p><b>Risk</b> Actively drive, support and enforce risk management standards</p> <p><b>Leadership</b> Set the tone for organization</p>	<p><b>Base Salary</b> Increased 3.0% to \$916,700, effective January 1, 2015, in connection with a merit increase review for SC's executives; Increased by 96.4% to \$1,800,000, effective July 1, 2015, in recognition of his promotion to CEO</p> <p><b>Annual Bonus</b> Annual bonus award of \$1,785,216 (99% of Mr. Kulas's target bonus award), provided in a mix of current and deferred cash and RSU awards</p> <p><b>Santander PSU Award</b> 5,910 PSUs</p> <p><b>Additional Equity Grant</b> 100,000 stock options in recognition of his promotion to CEO</p>
<b>PERFORMANCE ASSESSMENT</b>		

In addition to Mr. Kulas' contribution toward the overall SC Bonus Pool objectives discussed below, the Compensation Committee specifically recognized that:

### **Financial**

He led a strategic review of business lines to ensure maximum profitability and initiated our announced exit from our personal lending business

He negotiated the increase of the monthly commitment under a significant flow agreement

He obtained third-party financing for certain personal lending assets

He negotiated asset sales with two new purchasers

He met specific milestones to reduce intragroup debt

He negotiated an increase in the percentage of SC's profit sharing with a personal lending partner

He negotiated SC's first ever sale of residual interests under the SDART platform

### **Risk**

He led by example to create a culture of compliance and risk management

He achieved over 99% on-time completion rates for Company-wide regulatory compliance and risk training

## **Leadership**

He implemented cultural initiatives to increase employee engagement and improve retention of valued employees

He successfully recruited several new key executives, including our CFO, CRO, General Counsel and Chief Compliance Officer

He focused on the development of key leaders within the organization



**Table of Contents**

**Compensation**

*How We Compensated our Other Named Executive Officers.*

<p><b>Ismail Dawood</b></p> <p>Age: 43</p> <p>Title: Chief Financial Officer</p>	<p>Mr. Dawood was appointed CFO of the Company effective December 16, 2015. As such, the Compensation Committee did not conduct a review of Mr. Dawood's performance for 2015. The Compensation Committee approved the following compensation in connection with Mr. Dawood's appointment as CFO.</p> <p style="text-align: center;"><b>2015 COMPENSATION DECISIONS</b></p> <p><b>Sign-on Cash Bonuses</b> In March 2016, Mr. Dawood received a one-time cash bonus of \$1,221,555.37 in connection with his recruitment as CFO and a one-time cash bonus of \$250,000 in lieu of certain relocation benefits and car allowances</p> <p><b>Sign-on Equity Award</b> Mr. Dawood received a one-time award of 85,367 RSUs in December 2015 in connection with his recruitment as CFO</p> <p><b>Base Salary</b> Initially set at \$650,000</p> <p><b>Target Annual Bonus</b> 110% of his base salary. Mr. Dawood did not receive an annual bonus for 2015</p>
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<p><b>Jason W. Grubb</b></p>	<p><b>INDIVIDUAL PERFORMANCE GOALS 2015 COMPENSATION DECISIONS</b></p>
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Age: 50	(In addition to overall SC Bonus Pool objectives discussed below)	<b>Base Salary</b> Increased by 20.0% to \$800,000, effective July 1, 2015, in recognition of his promotion to President
Title:  Former President  and Chief  Operating Officer,  Originations	Achieve blended target Return on Asset ( ROA ) in each origination channel of 5%	<b>Annual Bonus</b> Annual bonus award of \$880,000 (110% of Mr. Grubb s target bonus award), provided in a mix of current and deferred cash and RSU awards
	Ensure dealer performance meets expected results	<b>Santander PSU Award</b> 3,843 PSUs
		<b>Additional Equity Grant</b> 40,000 stock options in recognition of his promotion to President
		Mr. Grubb s 2015 annual bonus and equity awards, as described above, were subsequently forfeited upon his departure from the Company in February 2016.

**PERFORMANCE ASSESSMENT**

In addition to Mr. Grubb s contribution toward the overall SC Bonus Pool objectives discussed below, the Compensation Committee specifically recognized that:

SC s origination channels achieved a blended ROA of 6.04%

He implemented a dealer council of SC s auto dealers during 2015 to establish a more robust dealer oversight, management and governance process

91% of SC s dealers are meeting or exceeding targeted portfolio performance results

He significantly expanded a targeted dealer review process to include consumer complaints, internal escalations, suspected fraud or misrepresentation, regulatory violations and negative media coverage as well as continuance and improvement of previously implemented income monitoring and review processes

He instituted enhanced fair lending reviews of SC's dealers with over 90% of dealers meeting and exceeding expected results and non-performing dealers being proactively monitored, managed or terminated

**Table of Contents**

**Compensation**

**INDIVIDUAL PERFORMANCE GOALS 2015 COMPENSATION DECISIONS**

Richard

Morrin

Age: 46

Title:

Chief Operating Officer

(In addition to overall SC Bonus Pool objectives discussed below)

Build sales structure to execute SC's business strategy

Build growth and penetration through development of comprehensive sales strategy for Chrysler Capital and volume growth strategy for non-Chrysler partners

Achieve blended target ROA in each origination channel of 5%

Ensure dealerships perform to expected levels and address fraud risk issues

**Base Salary** Increased by 2% to \$346,800, effective January 1, 2015, in connection with a merit increase review for SC's executives; Increased by 29.7% to \$450,000, effective September 2015, in order to align to market and meet competitive demands; Increased by 15.5% to \$520,000, effective February 2016, in recognition of his promotion to COO

**Annual Bonus** Annual bonus award of \$446,304 (99% of Mr. Morrin's target bonus award), provided in a mix of current and deferred cash and RSU awards

**Special Cash Bonus** In September 2015, Mr. Morrin received an additional special cash bonus of \$401,927 in order to meet competitive demands

**PERFORMANCE ASSESSMENT**

In addition to Mr. Morrin's contribution toward the overall SC Bonus Pool objectives discussed below, the Compensation Committee specifically recognized that:

SC's origination channels achieved a blended ROA of 6.04%

He effectively managed relationship with Chrysler and increased accountability for sales performance to further drive penetration and growth

He continued to develop current and potential relationships with other OEMs

He implemented pilot dealer rewards program to be evaluated during 2016 for growth impact

He contributed to significantly expanding a targeted dealer review process to include consumer complaints, internal escalations, suspected fraud or misrepresentation, regulatory violations and negative media coverage as well as continuance and improvement of previously implemented income monitoring and review process

He contributed to instituting enhanced fair lending reviews of SC's dealers with over 90% of dealers meeting and exceeding expected results and non-performing dealers being proactively monitored, managed or terminated

Kalyan

Seshan

Age: 48

Title:

Chief Risk Officer

Mr. Seshan was appointed CRO of the Company effective September 2015. As such, the Compensation Committee did not conduct a review of Mr. Seshan's performance for 2015. The Compensation Committee approved the following compensation decisions in connection with Mr. Seshan's appointment as CRO.

**Sign-on Cash Bonus** Mr. Seshan received a one-time cash bonus of \$248,821 in connection with his recruitment as CRO

**Sign-on Equity Award** Mr. Seshan received a one-time award of 40,000 options in connection with his recruitment as CRO

**2015 COMPENSATION DECISIONS**

**Base Salary** Initially set at \$490,000

**Annual Bonus** Annual bonus award of \$490,000 (100% of Mr. Seshan's target bonus award), provided in a mix of current and deferred cash and RSU awards

SC 2016 Proxy Statement

37

**Table of Contents**

**Compensation**

	<p><b>INDIVIDUAL PERFORMANCE GOALS</b></p>	<p><b>2015 COMPENSATION DECISIONS</b></p>
<p><b>Jennifer Davis</b></p> <p>Age: 36</p> <p>Title: Deputy Chief Financial Officer <i>(served as Interim Chief Financial Officer from July to December 2015)</i></p>	<p>(In addition to overall SC Bonus Pool objectives discussed below)</p> <p>Ensure completeness, accuracy and timeliness of financial statements and other regulatory and public filings</p> <p>Identify and implement process improvements and automation of reporting processes</p>	<p><b>Base Salary</b> Increased by 14.3% to \$220,420, effective January 1, 2015, in connection with a merit increase review for SC's executives; Increased by 13.4% to \$250,000 in July 2015 in order to align to market and meet competitive demands</p> <p><b>Annual Bonus</b> Annual bonus award of \$173,564 (139% of Ms. Davis's target bonus award), provided in a mix of current and deferred cash and RSU awards. The Compensation Committee approved an award 39% above target in recognition of Ms. Davis's service as Interim CFO</p>
	<p><b>PERFORMANCE ASSESSMENT</b></p> <p>In addition to Ms. Davis's contribution toward the overall SC Bonus Pool objectives discussed below, the Compensation Committee specifically recognized that:</p> <p>She ably assumed the role of Interim CFO from July to December 2015, including well-received contributions on earnings calls and in investor presentations</p>	

She contributed to the enhancement and/or automation of numerous complex processes related to accounting and financial reporting

#### Process for Determining Executive Compensation

**Compensation Committee.** Our Compensation Committee sets the compensation for our executive officers, including our NEOs, and has oversight of, among other things, adoption, modification or termination of the terms of our executive equity-based incentive plan(s) (in which our NEOs participate) and approval of amounts paid to our NEOs under our executive equity-based incentive plans. Our Compensation Committee operates under a written charter adopted by the Board that is published on the investor relations section of SC's web site at <http://investors.santanderconsumerusa.com>.

The Compensation Committee conducts an in-depth assessment of each NEO's performance against Company and individual goals and then applies its judgment to make compensation decisions. The Compensation Committee utilizes a formula to approve a bonus pool for executive officers and certain other senior members of management, see *Senior Executive Annual Bonus Plan* in this CD&A, but does not otherwise rely on a formula or matrix to make individual compensation decisions. The Compensation Committee believes this process provides accountability for performance against Company and individual goals and enables the Compensation Committee to assess effectively the quality of the performance and leadership demonstrated by each NEO. Importantly, the Compensation Committee believes that the process also differentiates among each NEO's performance and

motivates each NEO's short-term and long-term results as well as promoting innovation and business transformation within SC.

To advise the Compensation Committee in fulfilling its duties and responsibilities, the Compensation Committee retained Frederic W. Cook & Co. Inc., (Cook & Co.) in October 2015 to act as its independent consultant. Cook & Co. reports directly to the Compensation Committee and performs no other work for the Company. As part of its initial review of Cook & Co, the Compensation Committee analyzed Cook & Co.'s independence from management and whether hiring Cook & Co. would raise a conflict of interest. The Compensation Committee performed this analysis by taking into consideration the following factors set forth in Section 303A.05 of the NYSE Listed Company Manual:

Any other services provided to the Company by Cook & Co.;

The amount of fees Cook & Co. received from the Company as a percentage of Cook & Co.'s total revenue;

Policies and procedures Cook & Co. utilizes to prevent conflicts of interest;



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Any business or personal relationship of the individual compensation advisor of Cook & Co. with any member of the Compensation Committee or an executive officer of the Company;

Any SC stock owned by Cook & Co. or the Compensation Committee's individual advisor; and

**Table of Contents****Compensation**

Any business or personal relationship of Cook & Co. with an executive officer of the Company. With respect to the Compensation Committee's evaluation of Cook & Co.'s independence, the Company did not pay any fees to Cook & Co. before its appointment in October 2015, or since that time other than in connection with work performed for the Compensation Committee. The Compensation Committee determined, based on its analysis of the above factors, that Cook & Co. is independent from management and that the work of Cook & Co. and the individual compensation advisors employed by Cook & Co. as compensation consultants to the Compensation Committee have not presented any conflict of interest.

In its role of independent compensation consultant to the Compensation Committee, Cook & Co. attends Compensation Committee meetings and provides independent advice on current trends and best practices in compensation design and program alternatives and advises on plans or practices that may improve compensation program effectiveness. Cook & Co. also evaluates the Company's compensation practices in light of regulatory expectations and provides feedback on such regulatory expectations to the Compensation Committee. Cook & Co. may meet with our CEO regarding the compensation of our executive officers, including our NEOs, but does not meet with our CEO to discuss any aspect of his compensation.

Cook & Co. assisted the Compensation Committee by providing preliminary competitive market and industry information regarding compensation for our NEOs and executive officers for fiscal year 2015. In providing such information, Cook & Co. developed a Consumer Finance peer group, composed of consumer finance companies with which the Company competes directly for both business and talent and a general Banking peer group with which the Company competes for talent. In determining companies for inclusion in the peer group, Cook & Co. considered comparable industry and business model and comparable size.

In reviewing NEO pay levels, the Compensation Committee considered market data provided by Cook & Co. from both peer groups, and considered the size of the firms and the nature of their businesses in using this data.

The Compensation Committee did not aim to set target compensation at any specific positioning against the peer groups but used the peer groups as a reference point as it made compensation decisions for our NEOs and executive officers.

The following table sets forth such Consumer Finance and Banking peer groups.

PEER GROUPS	
CONSUMER FINANCE	BANKING
Ally Financial Inc.	BOK Financial Corporation
Capital One Financial Corporation	CIT Group Inc.

**Consumer Portfolio**

**Citizens Financial Group, Inc.**

**Services, Inc.**

<b>Credit Acceptance Corp.</b>	<b>Comerica Incorporated</b>
<b>Discover Financial Services</b>	<b>Fifth Third Bancorp Banks</b>
<b>PRA Group, Inc.</b>	<b>Huntington Bancshares</b>
<b>Springleaf Holdings, Inc.</b>	<b>Incorporated</b>
<b>Synchrony Financial</b>	<b>KeyCorp. Banks</b>
	<b>Regions</b>
	<b>Financial Corporation</b>
	<b>SunTrust Banks, Inc.</b>
	<b>SVB Financial Group</b>
	<b>The PNC Financial</b>
	<b>Services Group, Inc.</b>
	<b>Zions Bancorporation</b>

***Our 2015 Vote on Executive Compensation.*** Our Compensation Committee values input from our stockholders on our executive compensation program and our principles and objectives when determining executive compensation. The Compensation Committee considered the results of our recent advisory stockholder vote on executive compensation (the Say-on-Pay vote ) and feedback received from our stockholders in connection with the Say-on-Pay vote and throughout the year. At our 2015 Annual Meeting, a significant majority of our stockholders, or 85.53% of votes cast, approved, on an advisory basis, the compensation for our NEOs. Also at our 2015 Annual Meeting, a significant majority of our stockholders, or 83.39% of votes cast, approved, on an advisory basis, holding our Say-on-Pay vote every three years. Although our advisory Say-on-Pay vote is non-binding, the Compensation Committee considered the results of the Say-on-Pay vote and will continue to consider the results of future Say-on-Pay votes in determining the compensation of our NEOs and our executive compensation programs generally.

**Table of Contents****Compensation****Principal Components of Executive Compensation**

The Compensation Committee uses the following elements of compensation to attract and retain NEOs and maintain a stable team of effective leaders, to balance the compensation of the NEOs with the short-term and long-term objectives of the Company, and to align the interests of the NEOs with the interest of all of our stockholders. For fiscal year 2015, the compensation that we paid to our NEOs consisted primarily of base salary and short- and long-term incentive opportunities, as we describe more fully below. In addition, the NEOs were eligible for participation in company-wide welfare benefits plans, and we provided the NEOs with certain welfare benefits and perquisites not available to our employees generally, as we describe more fully below. The principal elements of compensation available to the NEOs in 2015 were as follows:

<b>ELEMENT</b>	<b>DESCRIPTION AND PURPOSE</b>
<b>Base Salary</b>	<p>Fixed cash compensation component that reflects the executive's position and responsibilities.</p> <p>Offers security for NEOs and allows the Company to maintain a stable management team.</p> <p>Annual bonus program designed to motivate and reward the achievement of Company and/or individual performance goals.</p>
<b>Annual Bonus</b>	<p>For 2015, the Compensation Committee awarded bonuses to our NEOs based upon a bonus pool methodology adopted by the Compensation Committee in January 2016.</p> <p>The annual bonus is comprised of both short-term and long-term incentives. A portion of the bonus is deferred in cash and restricted stock units ( RSUs ) pursuant to the Santander Management Board Compensation Policy and Identified Staff Plan (as more fully described below), as part of a balanced design intended to appropriately balance compensation risk.</p>
<b>Long-Term Equity-Based Incentive Compensation</b>	<p>In addition to the long-term incentive components of the annual bonus, in 2015, long-term equity-based incentives consisted of time-vesting RSUs, which vest over a three-year period subject to continued service (with certain exceptions), PSUs, which vest over a three-year period subject to the performance of Santander and to continued service (with certain exceptions) and time-vesting</p>

stock options, which vest over a three-year or five-year period subject to continued service (with certain exceptions).

Aligns long-term NEO and stockholder interests and encourages retention.

**Retirement Benefits;**

Provide NEOs with security during employment and into retirement and are competitive with overall market practices.

**Welfare Benefits; Perquisites**

Severance benefits provided to certain NEOs upon certain terminations of employment (as more fully described below).

**Employment and Change**

**in Control Agreements**

Facilitates retention of NEOs by providing income security in the event of job loss and/or change in control.

**Base Salary**

Base salary reflects each NEO's level of responsibility, leadership, tenure and the Compensation Committee's evaluation of the NEO's contribution to the performance and profitability of the Company. In establishing each NEO's annual base salary, the Compensation Committee considered market salary data, our budget, achievement of performance objectives and our CEO's assessment of the other NEO's performance. Except for Mr. Seshan and Ms. Davis, the base salaries of the NEOs were generally set in accordance with each NEO's employment agreement. While each such NEO's employment agreement provides for the possibility of increases in base salary, annual increases are not guaranteed.

**Table of Contents****Compensation**

The following table provides detail regarding each NEO's base salary as of the earlier of December 31, 2015, or the last day of the NEO's employment (if applicable):

NAME	2015 BASE SALARY (\$)
<b>Jason Kulas</b>	1,800,000
<b>Ismail Dawood</b>	650,000
<b>Jason Grubb</b>	800,000
<b>Richard Morrin</b>	450,000
<b>Kalyan Seshan</b>	490,000
<b>Jennifer Davis</b>	250,000
<b>Thomas Dundon</b>	2,703,750

The Compensation Committee approved increases in base salaries for certain NEOs during fiscal year 2015. For more information regarding these base salary increases, please see *2015 Compensation Actions* in this CD&A.

**Senior Executive Annual Bonus Plan**

For 2015, the annual compensation of our executive officers included bonus payments (payable in cash and RSUs) pursuant to the Company's Senior Executive Annual Bonus Plan (the *Bonus Plan*).

The Bonus Plan is intended to provide an incentive for superior work and to motivate covered key executives toward even greater achievement and business results, to tie their goals and interests to the long-term interests of our stockholders and to enable us to attract and retain highly-qualified executives. The Bonus Plan is a bonus plan under which our executive officers, including our NEOs, will be eligible to receive bonus payments with respect to a specified period (for example, our fiscal year). Bonuses under the Bonus Plan may be performance-based or discretionary.

Our Compensation Committee approved a methodology for setting the funding of Bonus Plan awards with respect to fiscal year 2015 for our executive officers, including our NEOs, and certain senior members of management (the *Bonus Pool*). This Bonus Pool methodology incorporates metrics based on the performance of both SC and Santander in order to ensure that the Bonus Plan awards (i) provide a strong link between pay and performance through the use of performance measures that are tied to our financial performance and strategic initiatives and (ii) align the pay of our executives with the pay of executives throughout the Santander group.

The Compensation Committee approved the following metrics for the Bonus Pool for 2015:

BONUS POOL METRIC	WEIGHTING OF BONUS POOL METRIC
<b>SC Performance</b>	
SC net income for 2015 vs. budget	
Demonstrated regulatory progress on key capital and risk management transformation project deliverables and on certain identified regulatory remediation plans	<b>70%</b>
<b>Santander Performance</b>	
Santander's net adjusted ordinary profit for 2015 vs. budget (includes a modifier of +/- 5% for the growth of Santander's net adjusted ordinary profit for 2015 vs. 2014)	<b>20%</b>
Santander's return on risk-weighted assets for 2015 vs. budget	<b>10%</b>
<p>Also, the Compensation Committee reviewed the Company's and Santander's performance against the Bonus Pool metrics. For purposes of the Bonus Plan, our net income for 2015 was \$827 million, a shortfall of \$15 million from our 2015 budgeted net income of \$842 million. The Compensation Committee also reviewed our regulatory progress on specific capital and risk management transformation project deliverables and on specific identified regulatory remediation action plans. Following this review, the Compensation Committee assigned an achievement of 98% for the SC performance metric with the resulting weighted Bonus Pool funding of 68.6% out of a target of 70%.</p>	

SC 2016 Proxy Statement

41

**Table of Contents****Compensation**

For 2015, Santander's net adjusted ordinary profit was 6.566 billion against budgeted net adjusted ordinary profit of 7.0 billion, which resulted in a weighted Bonus Pool funding of 18.8%. Also, for 2015, Santander's net adjusted ordinary profit grew 12.9% against net adjusted ordinary profit of 5.816 for 2014. Because net ordinary profit growth exceeded 10%, this resulted in a maximum weighted modifier achievement of 1.5% and a combined weighted net adjusted ordinary profit achievement of 20.3%. In addition, Santander's return on risk-weighted assets was 1.33% against budgeted return on risk-weighted assets of 1.32%, which resulted in a weighted Bonus Pool funding of 10.1%. As determined by the Compensation Committee, these metrics resulted in a combined achievement of 30.4% of the combined Santander performance metrics out of a target of 30%.

For 2015, after conducting its assessment of SC's and Santander's performance against the metrics, as described above, the Compensation Committee approved a Bonus Pool funding of 99.0% of the Bonus Pool's target as set forth below:

BONUS POOL METRIC	BONUS POOL METRIC ACHIEVEMENT	CALCULATION OF BONUS POOL FUNDING
<b>SC Performance</b>		
SC net income for 2015 vs. budget		
Demonstrated regulatory progress on key transformation project deliverables and on certain identified regulatory remediation plans	<b>98%</b>	<b>68.6%</b>
<b>Santander Performance</b>		
Santander's net adjusted ordinary profit for 2015 vs. budget (includes a modifier of +/- 5% for the growth of Santander's net adjusted ordinary profit for 2015 vs. 2014)	<b>101.5%</b>	<b>20.3%</b>
Santander's return on risk-weighted assets for 2015 vs. budget	<b>100.7%</b>	<b>10.1%</b>
<b>TOTAL</b>		<b>99.0%</b>

As described above, the achievement under the combined SC and Santander metrics resulted in an approved funding of 99.0% of the Bonus Pool target. We multiply this Bonus Pool percentage by the applicable target bonus amount of each executive officer, including each NEO, to establish an initial starting point for such executive subject to the Bonus Pool. Each executive's award under the Bonus Plan is subject to a discretionary adjustment, either positive or negative, based on the evaluation of such executive's performance by the Compensation Committee, but in no event will the aggregate total of the actual bonus amounts exceed the aggregate total of the target bonus amounts. The Compensation Committee then conducted a detailed evaluation and assessment of each executive's performance against pre-established performance measures that were tied to financial performance and strategic initiatives, including risk and compliance measures.



For 2015, following the review of the Company's performance and each NEO's individual performance, the Compensation Committee approved awards under the Bonus Plan for each such NEO as follows:

<b>NAMED EXECUTIVE OFFICER</b>	<b>2015 BONUS PLAN AWARD (\$)</b>	<b>PERCENTAGE OF TARGET BONUS AWARDED</b>
<b>Jason Kulas</b>	1,785,216	99%
<b>Richard Morrin</b>	446,304	99%
<b>Kalyan Seshan</b>	490,000	100%
<b>Jennifer Davis</b>	173,564	139%

Because Mr. Dundon ceased to be our CEO in July 2015 and Mr. Grubb ceased to be our President and COO, Originations, in February 2016, they did not receive bonus awards for 2015. Mr. Dawood was not eligible to receive a bonus award for 2015 because he joined the Company in December 2015.

For fiscal year 2015, awards under the Bonus Plan were payable in cash and RSUs. The immediately payable cash amounts of the Bonus Plan awards are reflected in the Bonus column of the *Summary Compensation Table*. The deferred cash amounts of the Bonus Plan awards will be reflected in the All Other Compensation column of the *Summary Compensation Table* for 2017, 2018 and 2019. The RSU portion of the Bonus Plan awards were issued from the Omnibus Plan in March 2016 and will be reflected in the Stock Awards column of the *Summary Compensation Table* for 2016. For information about the requirement for our executive officers, including our NEOs, to defer a portion of their bonus awards, please see *Santander's Management Board Compensation Policy and Identified Staff Plan*.

**Table of Contents****Compensation****Santander Management Board Compensation Policy and Identified Staff Plan**

As we are a controlled company, owned indirectly by Santander, certain of our executive officers, including our NEOs, and other identified staff are subject to Directive 2013/36/EU ( CRD IV ) promulgated by the European Parliament and Council of the European Union. Under Santander's Management Board Compensation Policy and Identified Staff Plan, certain identified staff, including all of our executive officers and all of our NEOs, are required to defer receipt of a portion of their variable compensation (including all bonuses paid under the Bonus Plan) in order to comply with CRD IV.

Accordingly, each NEO's aggregate award under the Bonus Plan for 2015 was payable 50% in cash (a portion of which was deferred) and 50% in the form of stock-settled RSUs (a portion of which were vested and settled immediately and a portion of which were subject to vesting). After the shares subject to the RSUs are settled, they will remain subject to transfer and sale restrictions for a period of one year. The following table reflects the portions of each NEO's award for the fiscal year 2015 that was payable in form of cash and RSUs:

NAMED EXECUTIVE OFFICER	CASH PORTION	RSU PORTION
	OF 2015 BONUS AWARD(\$)	OF 2015 BONUS AWARD(\$)
Jason Kulas	892,608	892,608
Richard Morrin	223,152	223,152
Kalyan Seshan	245,000	245,000
Jennifer Davis	86,782	86,782

Receipt of deferred portion of the variable compensation for 2015 (whether in the form of cash or RSUs) is contingent on the NEO remaining employed through the applicable settlement date and subject to there being no: (a) deficient financial performance of the Company; (b) material breach by the executive of any material internal rules or regulations of the Company; (c) material negative restatement of the Company's financial statements (other than any restatement undertaken as a result of a change in accounting standards); or (d) material negative change in the capitalization of the Company or in the Company's risk profile prior to the applicable settlement date.

Under the Santander Management Board Compensation Policy and Identified Staff Plan, the percentage of variable compensation that was required to be deferred in 2015 was based on each NEO's classification (as reflected in the following table) and the amount of variable compensation earned.

**SANTANDER  
CLASSIFICATION**

**PERCENTAGE OF ANNUAL  
BONUS AWARD DEFERRED**

<b>Executive Director</b>	60%
<b>Senior Management</b>	50%
<b>Other Executives</b>	40%

Mr. Kulas was classified as Senior Management. Accordingly, 50% of Mr. Kulas' variable compensation for 2015 was payable immediately and the remaining 50% was deferred and will be settled over three years (2017, 2018 and 2019) in equal installments on each anniversary of the award date.

Our other executive officers, including all of our NEOs other than Mr. Kulas, were classified as Other Executives. Accordingly, 60% of their variable compensation for 2015 was payable immediately and the remaining 40% was deferred and will be settled over three years (2017, 2018 and 2019) in equal installments on each anniversary of the award date.

Our NEOs had the following amounts of their variable compensation for 2015 deferred pursuant to the Santander Management Board Compensation Policy and Identified Staff Plan, and will be entitled to the following amounts of cash and shares in respect of RSUs upon the applicable settlement date(s), in 2017, 2018 and 2019 if all applicable conditions are satisfied:

<b>NAMED</b>	<b>TOTAL AMOUNT</b>	<b>CASH</b>	<b>RSUs</b>
<b>EXECUTIVE OFFICER</b>	<b>DEFERRED (\$)</b>	<b>DEFERRED (\$)</b>	<b>DEFERRED (\$)</b>
<b>Jason Kulas</b>	892,608	446,304	446,304
<b>Richard Morrin</b>	178,522	89,261	89,261
<b>Kalyan Seshan</b>	196,000	98,000	98,000
<b>Jennifer Davis</b>	69,426	34,713	34,713

**Table of Contents****Compensation****Long-Term Equity-Based Incentive Compensation**

In addition to RSUs granted as a portion of the Bonus Plan award, which are a form of long-term equity incentive, the Compensation Committee believes that the NEOs should have a portion of their total compensation opportunity in the form of long-term equity-based incentive compensation, further linking compensation to increasing long-term stockholder value. Long-term equity-based incentive compensation encourages our NEOs to create and sustain stockholder value over longer periods because the value of this compensation is directly attributable to changes in the price of our Common Stock over time. In addition, long-term equity-based incentive compensation promotes retention because its full value cannot be realized until vesting occurs, which generally requires continued employment for multiple years, typically, three to five years.

We previously adopted the Management Equity Plan, under which Company employees and directors (including the NEOs) were eligible to receive nonqualified stock options to purchase SC Common Stock with an exercise price of at least the fair market value of SC Common Stock on the date of grant. The Management Equity Plan also provides for the grant of premium priced stock options, which are granted with a per share exercise price in excess of the fair market value of SC Common Stock on the date of grant. The Management Equity Plan expired on January 31, 2015, and accordingly, no further awards will be made under this plan.

We have also adopted the Omnibus Plan, which provides for the grant of nonqualified and incentive stock options, SARs, restricted stock awards, RSUs and other awards that may be settled in or based upon the value of our Common Stock to eligible officers, employees, directors and consultants.

In 2015, Messrs. Kulas and Grubb received nonqualified stock options under our Omnibus Plan that (i) have an exercise price equal to the closing price of the stock on the date of grant; (ii) will vest over a five-year period in equal amounts each year; and (iii) will expire ten years after the date of grant. Each of Messrs. Kulas and Grubb received such grants in connection with each NEO's promotion to CEO and President, respectively. In connection with his resignation in February 2016, Mr. Grubb forfeited all of the stock options in this grant. Also, in 2015, Mr. Seshan received nonqualified stock options under our Omnibus Plan that (i) have an exercise price equal to the closing price of the stock on the date of grant; (ii) will vest over a three-year period in equal amounts each year; and (iii) will expire ten years after the date of grant. Mr. Seshan received such grant in connection with his joining the Company as Chief Risk Officer.

Stock options were granted to the Company's NEOs under the Omnibus Plan in fiscal year 2015 as set forth below:

<b>NAMED EXECUTIVE OFFICER</b>	<b>OPTIONS GRANTED</b>
<b>Jason Kulas</b>	100,000
<b>Jason Grubb</b>	40,000
<b>Kalyan Seshan</b>	40,000

Also, in 2015, Mr. Dawood received a grant of RSUs under our Omnibus Plan that will vest over a three-year period in equal amounts each year. Mr. Dawood received such grant in connection with his joining the Company as Chief

Financial Officer.

RSUs were granted to the Company's NEOs under the Omnibus Plan in fiscal year 2015 as set forth below:

NAMED EXECUTIVE OFFICER	RSUS GRANTED
<b>Ismail Dawood</b>	85,367

The Compensation Committee believes that these awards help the Company retain executives and focus attention on longer-term performance. The Compensation Committee believes that stock options are an effective motivational tool because they only have value to the extent the stock price on the date of exercise exceeds the exercise price on the grant date and are an effective element of compensation and retention only if the stock price grows over the term of the award. The Compensation Committee believes that RSUs are an effective element of compensation and retention because they have value as of the date of grant and as a motivational tool because they increase in value to the extent the stock price increases.

The Compensation Committee determined that the size and type of each grant to each of Messrs. Kulas and Grubb was appropriate to recognize each such NEO's promotion to CEO and President, respectively, and to encourage each such NEO's retention. The Compensation Committee also determined that the size and type of the grant to each of Messrs. Dawood and Seshan was appropriate in order to hire and retain such NEO as our Chief Financial Officer and Chief Risk Officer, respectively.

### Santander Performance Awards

In June 2015, we granted certain of our executive officers and other eligible employees, including Messrs. Dundon, Kulas and Grubb, performance-based RSUs (PSUs) under a Santander Performance Award program. The Santander Performance Award program is a multi-year incentive plan under which the Compensation Committee grants participants PSUs under the Omnibus Plan. Payment of the PSUs will be made in the form of one share of the Company's Common Stock for each PSU that is payable. The PSUs will vest over a three-year period in equal amounts each year, subject to continued service and certain requirements related to the performance of Santander stock as described below.

Performance is determined by the ranking of Santander's total shareholder return (TSR) compared to a peer group selected by the board of directors of Santander and reviewed and approved by the Compensation Committee. Under the

**Table of Contents****Compensation**

Santander Performance Award program, TSR is defined as the percentage change in value (positive or negative) over the applicable performance period as measured by dividing (i) the sum of (A) the cumulative value of dividends and other distributions in respect of the common stock for such performance period, assuming dividend reinvestment, and (B) the difference (positive or negative) between the common stock price on the first and last days of such performance period (calculated on the basis of the average of the adjusted closing prices over the thirty (30)-day trading period immediately prior to the first day of such performance period and the average of the adjusted closing prices over the thirty (30)-day trading period ending on the last day of such performance period), by (ii) the common stock price on the first day of such performance period, calculated on the basis of the average of the adjusted closing prices over the thirty (30)-day trading period immediately prior to the first day of such performance period.

In choosing the peer group, the Santander board of directors considered the firms' market capitalization, geographic location, and the nature of the businesses. For the 2014 performance period, the Santander peer group includes the following global financial institutions:

**SANTANDER PERFORMANCE PEER GROUP**

HSBC Holding plc  
Société Générale SA

BNP Paribas SA  
JPMorgan Chase & Co.  
Banco Bilbao Vizcaya

Citigroup Inc.

Argentaria S.A.

Nordea Bank AB

UniCredit SpA

Intesa Sanpaolo SpA

Itaú Unibanco Holding SA

Bank of Nova Scotia

Deutsche Bank AG (USA)

Lloyds Banking Group PLC

Banco Bradesco SA

UBS Group AG (USA)

The target value of each participant's award was 15% of the participant's target bonus under the Bonus Program. For purposes of determining the amount of the award, the target award was multiplied by a percentage based upon Santander's TSR ranking in 2014 as reflected on the following table.

**SANTANDER'S****TARGET AWARD****PEER GROUP RANKING****PERCENTAGE**

1st to 8th

100%

9th to 12th

50%

13th to 16th

0%

For the 2014 performance period, Santander achieved a TSR of 21.10%, and Santander's TSR ranked 4th relative to its peer group. Therefore, the Compensation Committee determined an award of 100% of the target award for each of Messrs. Dundon, Kulas and Grubb was warranted, and PSUs under the Santander Performance Award program were

granted to the following

NEOs under the Omnibus Plan in fiscal year 2015 as set forth below:

<b>NAMED EXECUTIVE OFFICER</b>	<b>PSUS GRANTED</b>
<b>Thomas Dundon</b>	22,500
<b>Jason Kulas</b>	5,910
<b>Jason Grubb</b>	3,843

In connection with his resignation in February 2016, Mr. Grubb forfeited all of the PSUs in this grant.

Subject to continued service on the applicable payment date, the PSUs will become earned and payable based on Santander's TSR position relative to its peer group for the applicable performance period as set forth below.

<b>PAYMENT DATE</b>	<b>PERFORMANCE PERIOD</b>
<b>First anniversary of the grant date</b>	2014 through 2015
<b>Second anniversary of the grant date</b>	2014 through 2016
<b>Third anniversary of the grant date</b>	2014 through 2017

The following table reflects the percentage of PSUs that will settle in each year based upon Santander's TSR performance relative to its peer group for the applicable performance period.

<b>TSR RANKING</b>	<b>PERCENTAGE OF PSUS SETTLED</b>
<b>1st to 4th</b>	100%
<b>5th</b>	87.5%
<b>6th</b>	75%
<b>7th</b>	62.5%
<b>8th</b>	50%
<b>9th to 16th</b>	0%

Settlement of the PSUs is also contingent on the NEO remaining employed through the applicable settlement date and subject to there being no: (a) deficient financial performance of the Company; (b) material breach by the executive of any material internal rules or regulations of the Company; (c) material negative restatement of the Company's financial statements (other than any restatement undertaken as a result of a change in accounting standards); or (d) material negative change in the capitalization of the Company or in the Company's risk profile prior to the applicable settlement date. After the shares subject to the PSUs are settled, they will remain subject to transfer and sale restrictions for a period of one year.

### **Other Compensation**

In addition to the benefits that all of our employees are eligible to receive, the NEOs are eligible to receive certain other benefits and perquisites. For fiscal year 2015, the additional benefits and perquisites included a car allowance

and Company-paid annual premiums for executive medical and dental and disability

SC 2016 Proxy Statement

45



## **Table of Contents**

### **Compensation**

benefits. These benefits and perquisites are generally consistent with those paid to similarly situated SC executives. Mr. Dundon's perquisites also included financial planning expenses (including tax preparation services, accounting services and financial advisory and planning services), legal and estate planning expenses, reimbursements of certain medical expenses and club membership dues.

We paid certain expenses incurred by Mr. Dundon in the operation of his private plane when used for SC business within the contiguous 48 states of the United States. This increased the level of safety and security for Mr. Dundon and allowed Mr. Dundon to be more productive than if commercial flights were utilized, as the private plane provides a confidential and productive environment for conducting business without the scheduling constraints imposed by commercial airline service. Under this practice, the cost to the Company of the reimbursement was based on a set flight time hourly rate, and the amount of our reimbursement was not subject to a maximum cap per fiscal year. During fiscal year 2015, the average flight time hourly rate was approximately \$5,800, and we paid approximately \$404,000 to Meregrass Inc., a charter company affiliated with Mr. Dundon that manages this operation, under this practice.

### **Retirement Benefits**

Each of the NEOs is eligible to participate in SC's qualified defined contribution retirement plan (i.e., 401(k) Plan) under the same terms as other eligible SC employees, including with respect to the Company matching contribution under the 401(k) Plan. SC provides these benefits in order to foster the development of the NEOs' long-term careers with the Company. We do not provide defined benefit pension benefits, or nonqualified or excess retirement benefits to any of our NEOs.

### **Employment Agreements**

We have entered into employment agreements with each of the NEOs (except for Mr. Seshan and Ms. Davis), establishing key elements of compensation in addition to our generally-applicable plans and programs and that include certain restrictive covenants, such as those prohibiting post-employment competition or solicitation by the NEOs. We believe that these agreements provide stability to SC and further the objectives of our compensation program, including our objective of attracting and retaining the highest quality executives to manage and lead the Company. See *Potential Payments Upon Termination or Change of Control*, *Employment Agreements and Change in Control Agreements* in this Proxy Statement.

### **Tax Considerations**

Section 162(m) generally disallows a federal tax deduction to public companies for compensation greater than \$1 million paid in any tax year to specified executive officers unless the compensation is qualified performance-based compensation under that section. However, pursuant to the transition provisions under Section 162(m), certain compensation arrangements that

are entered into by a corporation before it is publicly held, and that are disclosed in the corporation's registration statement, may not be subject to the deductibility limits of Section 162(m) for a period of approximately three years

following the consummation of the corporation's public offering (the Exemption).

To the extent that they are not intended to qualify for the Exemption, certain of our compensation arrangements are designed to permit us to grant awards that may qualify as qualified performance-based compensation; however, it is possible that awards intended to qualify for the tax deduction may not so qualify if all requirements of the qualified performance-based compensation exemption are not met. Furthermore, the Compensation Committee believes that the tax deduction is only one of several relevant considerations in setting executive compensation and takes into account a multitude of factors in making executive compensation decisions. Accordingly, the Compensation Committee may, in certain circumstances, approve compensation arrangements that provide for compensation that is not deductible for federal income tax purposes. Please see Proposal 3 in this proxy statement regarding our request for stockholders to approve the Restated Plan, in part, to provide our Compensation Committee with additional compensation tools to address Section 162(m).

### **Compensation Risk Assessment**

At least annually, our Compensation Committee conducts an assessment of the compensation policies and practices for our employees, including our executive officers, and whether such policies and practices created risks that were reasonably likely to have a material adverse effect on the Company. Our management compensation team and an executive-level management human resources risk committee assist our Compensation Committee with such risk assessment and help ensure our compensation programs align with the Company's goals and compensation philosophies and, along with other factors, operate to mitigate against the risk that such programs would encourage excessive risk-taking.

We believe our compensation programs strike the appropriate balance between short-term and long-term components. We consider the potential risks in our business when designing and administering our compensation programs, and we believe our balanced approach to performance measurement and compensation decisions works to mitigate the risk that individuals will be encouraged to undertake excessive or inappropriate risk. The Company's compensation program also is subject to internal controls, and we rely on principles of sound governance and good business judgment in administering our compensation programs.

Based on its assessment in early 2016, our Compensation Committee has determined, in its reasonable business judgment, that the Company's compensation policies and practices as generally applicable to its executive officers and employees do not create risks that are reasonably likely to have a material adverse effect on the Company and instead promote behaviors that support long-term sustainability and stockholder value creation.

**Table of Contents****Compensation****Compensation Committee Report**

The Compensation Committee of the Board of Directors has reviewed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and discussed it with the Company's management. Based on such review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

**Submitted by the Compensation Committee:**

Heidi Ueberroth, Chair

Javier Maldonado

Robert McCarthy

**Executive Compensation Tables****Summary Compensation Table**

The following summary compensation table sets forth the total compensation paid or accrued for the years ended December 31, 2015, 2014 and 2013 (if applicable) for each individual who served as our Chief Executive Officer or Chief Financial Officer during fiscal year 2015, and our three other most highly compensated executive officers who were serving as executive officers on December 31, 2015.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$) <sup>(1)</sup>	BONUS (\$)	STOCK AWARDS (\$) <sup>(2)</sup>	NON-EQUITY INCENTIVE			TOTAL COMPENSATION (\$)
					OPTION AWARDS (\$) <sup>(2)</sup>	PLAN COMPENSATION (\$) <sup>(3)</sup>	ALL OTHER COMPENSATION (\$) <sup>(4)</sup>	
Jason A. Kulas, President and CEO	2015	1,392,581	446,304 <sup>(5)</sup>	540,479 <sup>(9)</sup>	764,000		25,541	3,168,905
	2014	890,000	510,000 <sup>(6)</sup>		2,728,346		41,954	4,170,300
	2013	400,000	275,930 <sup>(7)</sup>	3,618,440		1,000,000	17,544	5,311,914
Ismail Dawood <sup>(a)</sup> , CFO	2015	32,500		1,330,018 <sup>(10)</sup>				1,362,518
Jason W. Grubb <sup>(b)</sup> , Former President and COO,	2015	792,795		351,329 <sup>(9)</sup>	305,600		12,307	1,462,031
	2014	647,059	331,500 <sup>(6)</sup>		454,724		27,899	1,461,182
	2013	350,000	240,606 <sup>(7)</sup>	603,064		650,000	12,381	1,856,051

Originations							
<b>Richard Morrin</b> <sup>(c)</sup> , COO	2015	391,631	535,818 <sup>(8)</sup>	127,520 <sup>(11)</sup>		27,895	1,082,864
	2014	340,000	76,500 <sup>(6)</sup>			36,875	453,375
<b>Kalyan Seshan</b> <sup>(a)</sup> , CRO	2013	255,000	205,615 <sup>(7)</sup>		255,000	19,755	735,370
	2015	158,308	395,821 <sup>(12)</sup>		277,200	3,323	834,652
<b>Jennifer Davis</b> <sup>(a)</sup> , Deputy CFO	2015	245,716	52,069 <sup>(5)</sup>	63,760 <sup>(11)</sup>		15,840	377,385
<b>Thomas G. Dundon</b> <sup>(d)</sup> , Former CEO	2015	1,452,837		2,036,088 <sup>(9)</sup>		688,504	4,177,429
	2014	2,625,000	1,920,000 <sup>(6)</sup>		6,062,989	1,004,729	11,612,718
	2013	1,500,000		8,040,984	3,750,000	731,820	14,022,804

(a) Each of Mr. Dawood, Mr. Seshan and Ms. Davis became a NEO in 2015 and was not previously a NEO. For Messrs. Dawood and Seshan, 2015 amounts reflect partial year compensation as Mr. Dawood joined the Company in December 2015 and Mr. Seshan joined the Company in September 2015. Ms. Davis was Interim CFO from July to December 2015.

(b) Mr. Grubb resigned from the Company on February 14, 2016.

(c) Mr. Morrin became a NEO in 2015, was not a NEO in 2014, and was previously a NEO in 2013. Mr. Morrin was appointed our COO on February 15, 2016. Previously, he was our Executive Vice President, New Business since August 2011.

(d) 2015 amounts reflect partial year compensation as Mr. Dundon was CEO through July 2, 2015, the effective date of his separation from the Company as CEO.

(1) We base the base salary amounts in this column on actual base compensation paid or earned through the end of the applicable fiscal year.

(2) The value of the stock awards and option awards included in the Summary Compensation Table is based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Additional details on accounting for equity-based compensation can be found in Note 1, Description of Business, Basis of Presentation, and Significant Accounting Policies and Practices Stock Based Compensation, Note 16, Employee Benefit Plans of our consolidated financial statements filed with the SEC on Form 10-K for the fiscal year ended December 31, 2015. Also, please see Outstanding Equity Awards at Fiscal 2015 Year End table in this proxy statement for additional information regarding the vesting parameters that are applicable to these awards.

(3) Reflects annual cash bonuses paid to the NEOs in 2013 under the Company's previous Executive Incentive Program.

(4) See the *All Other Compensation Table* below for additional information.

- (5) Reflects a cash portion of the 2015 annual variable compensation under the Bonus Plan earned in 2015 and paid in 2016 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan. A portion of the cash payable under the 2015 annual variable compensation was deferred pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan and will be paid in each of 2017, 2018 and 2019 and will be reflected under *All Other Compensation* in the Summary Compensation Table for the years in which such compensation is paid. A portion of the 2015 annual variable compensation was paid in RSUs, was earned in 2015 and granted in 2016, and will be reflected under *Stock Awards* in the Summary Compensation Table for 2016.

SC 2016 Proxy Statement

47

**Table of Contents**

**Compensation**

- (6) Reflects a portion of the cash payable under the 2014 annual variable compensation under the Bonus Plan earned in 2014 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan. A portion of the cash payable under the 2014 annual variable compensation was deferred pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan and will be paid in each of 2016, 2017 and 2018 and will be reflected under *All Other Compensation* in the Summary Compensation Table for the years in which such compensation is paid.
- (7) Reflects one-time cash retention payments (and related tax gross-ups) made to Messrs. Kulas, Grubb and Morrin in July 2013.
- (8) Reflects (a) a one-time cash retention payment (and related tax gross-ups) paid to Mr. Morrin in the amount of \$401,927; and (b) \$133,891 in cash payable to Mr. Morrin under the 2015 annual variable compensation under the Bonus Plan earned in 2015 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan. A portion of the cash payable under the 2015 annual variable compensation was deferred pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan and will be paid in each of 2017, 2018 and 2019 and will be reflected under *All Other Compensation* in the Summary Compensation Table for the years in which such compensation is paid. A portion of the 2015 annual variable compensation was paid in RSUs, was earned in 2015 and granted in 2016, and will be reflected under *Stock Awards* in the Summary Compensation Table for 2016.
- (9) Reflects (a) the RSU portion of the 2014 annual variable compensation under the Bonus Plan earned in 2014 and granted in 2015 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan; and (b) a grant of PSUs under the Santander Performance Award program granted in 2015.
- (10) Reflects a RSU award made to Mr. Dawood in connection to his joining the Company in December 2015.
- (11) Reflects the RSU portion of the 2014 annual variable compensation under the Bonus Plan earned in 2014 and granted in 2015 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan.
- (12) Reflects (a) a one-time cash payment (and related tax gross-ups) paid to Mr. Seshan in connection with his joining the Company in the amount of \$248,821; and (b) \$147,000 in cash payable to Mr. Seshan under the 2015 annual variable compensation under the Bonus Plan earned in 2015 pursuant to Santander's Management Board Compensation Policy and Identified Staff Plan. A portion of the cash payable under the 2015 annual variable compensation was deferred pursuant to Santander's Management Board Compensation Policy and Identified Staff

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Plan and will be paid in each of 2017, 2018 and 2019 and will be reflected under **All Other Compensation** in the Summary Compensation Table for the years in which such compensation is paid. A portion of the 2015 annual variable compensation was paid in RSUs, was earned in 2015 and granted in 2016, and will be reflected under **Stock Awards** in the Summary Compensation Table for 2016.

All Other Compensation Table

NAME	SC CONTRIBUTION TO DEFINED CONTRIBUTION PLAN		MEMBERSHIP DUES (\$)(a)	FINANCIAL PLANNING (\$)	ESTATE PLANNING (\$)	LEGAL EXPENSES (\$)	EXECUTIVE DISABILITY BENEFIT (\$)(b)	PRIVATE PLANE EXPENSES (\$)(d)	TOTAL (\$)
	CAR ALLOWANCE (\$)	PLAN (\$)							
Jason A. Kulas	9,969	13,208					2,364		25,541
Ismail Dawood									
Jason W. Grubb	9,969						2,338		12,307
Richard Morrin	9,969	15,900					2,026		27,895
Kalyan Seshan	3,323								3,323
Jennifer Davis		14,730					1,110		15,840
Thomas G. Dundon(e)	6,594	14,890	7,400	121,633	35,785	91,686	6,716 <sup>(c)</sup>	403,800	688,504

(a) Amount represents country club dues paid by the Company on behalf of Mr. Dundon.

(b) Amount listed represents the annual premiums paid by the Company for NEO executive life and disability benefits.

(c) Amount listed represents the premiums paid by the Company for Mr. Dundon's executive life and disability benefits, inclusive of an additional rider, through July 2, 2015, the date of his separation from the Company.

(d) Amount listed represents expenses paid by the Company that were incurred by a company affiliated with Mr. Dundon in the operation of his private aircraft for Company business. See **Other Compensation** in this Compensation Discussion and Analysis for an explanation of how these expenses are derived.

(e) Subject to limitations of banking regulators and applicable law, Mr. Dundon's Separation Agreement provided that he would receive (i) a lump sum payment equal to two times the sum of his annual base salary and target annual cash performance bonus, (ii) a lump sum payment equal to Mr. Dundon's current salary, prorated through his separation date, (iii) continued welfare benefits (including life, long-term disability and other fringe benefits) for

Mr. Dundon and his dependents, on the same basis as provided to actively employed senior executives of the Company, until (i) the third anniversary of his separation date, or (ii) with respect to benefits under Company's health insurance plan, the 18-month anniversary of his separation date. Because, as of the date of this proxy statement, these actions have not been approved by banking regulators, this table does not reflect the payment of these severance payments as provided in his Separation Agreement. For more information, please see *Payments Made to our Former Chief Executive Officer upon Termination* in this proxy statement.



**Table of Contents****Compensation**

## Fiscal 2015 Grants of Plan-Based Awards

The following table provides information regarding short-term awards and long-term awards granted to our NEOs under our Omnibus Plan during the year ended December 31, 2015.

NAME	TYPE OF AWARD(1)	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS(2)			MAXIMUM OR OTHER STOCK AWARDS: NUMBER OF SHARES OF STOCK UNITS(3)	ALL OTHER EXERCISE PRICE OF AWARDS: NUMBER OF SECURITIES UNDERLYING AWARDS(4)	OPTION BASE PRICE (\$/SH)(5)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS (\$)(6)
			THRESHOLD (\$)	TARGET (\$)	(\$)				
Jason A.	RSU	4/10/15				22,407			509,983
	PSU	6/17/15	2,955	5,910		5,910			30,496
Kulas	SO	7/1/15					100,000	26.48	764,000
Ismail									
Dawood	RSU	12/16/15				85,367			1,330,018
Jason W.	RSU	4/10/15				14,565			331,499
	PSU	6/17/15	1,922	3,843		3,843			19,830
Grubb	SO	7/1/15							